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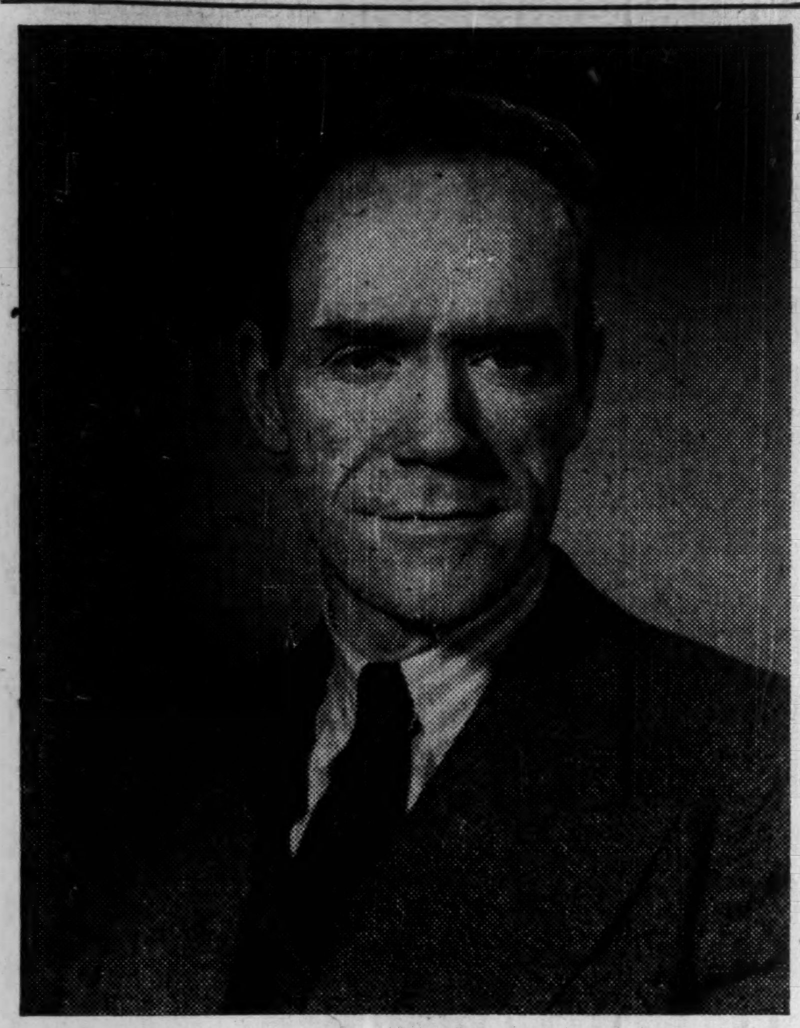
Plans for Emergencies



Red-headed, 40-year-old Mitchell W. Sharp is the newly named Assistant Deputy Minister in Department of Trade and Commerce. He has been director of economic policy division, Department of Finance. In his new job, Mr. Sharp will head three divisions in T&C.: economic research and statistics; wheat and grain; international trade; also do important spade-work, blueprinting price control and rationing plans against future emergencies. (Personality sketch, p. 6).

THE NATION'S BUSINESS

The Year Ahead

The trend of events in recent days and weeks brings Canada—and civilization—to a new year in awesome peril.

As reported elsewhere on this page, it now seems almost certain that Canada must once again make a vast increase in its immediate defense plans, and that 1951 defense spending may be very much larger than the "over $1 billion" which had been contemplated in recent weeks.

So, at the moment, only one thing seems reasonably certain about the business outlook: that, once again, maximum demand will be made on our raw materials for use here and abroad, on our productive capacity and on our manpower.

That means the civilian economy is in for a squeeze; just how hard a squeeze will depend on how much defense and how much war.

Right now, thinking in knowledgable official circles is that a very big part of Canada's job in 1951 will be in expanding and converting our productive capacity for defense materials and in the immediate production of defense materials.

The manpower squeeze, it is thought — and we repeat this right now because the situation is moving so rapidly — is to be primarily in industry, and not likely so much because of demand for uniformed manpower for the armed services.

Development of the foundations on which our strength in peace or war lies — of things like iron ore, power, rail equipment, oil pipelines, etc.—had been expected to be a very big factor in Canada's economic activity in 1951. How much such projects will be affected by the newly felt urgency and by the magnitude of our immediate defense program is at the moment idle speculation.

The same holds true for the general prices outlook. We shall, of course, be affected, directly and indirectly, by what happens to U. S. prices and the brakes the U. S. has so far applied to prices don't look to be much if any good.

The Cost of Living

Until recently it looked to some close students of the matter that there was hope for the cost of living index moving not more than five points higher in the first half of the new year.

But the intensifying pressure of the defense effort makes that prospect look dubious. Knowing from much experience the problems and limitations of price controls and the gigantic machinery of rationing, allocations, etc., etc., which that inevitably involves, Ottawa still clings to the hope and belief that the price line can hold reasonably well without total controls. But Mr. Stalin is the only one who knows the answer to that.

Taxes? They will be higher. How much, and whom the increases will bite most severely, not even the budget-makers yet know. A fact of some consolation, however, is that a great deal of very expert work, both in and outside government, has been going on in study of tax devices which not only get the most feathers with the fewest squawks, but also which do the minimum harm to the national economy and its people.

Labor relations and wages? Because some of the most aggressive unions now have long-term contracts, there is some disposition to look forward to a year of considerable labor peace. But labor is shortly opening a major propaganda campaign for that economic absurdity, a price control program without wage controls. The past performance of many of the union leaders does not give very much hope that union affairs will be handled with responsibility, wisdom or statesmanship, nor with regard for the national interest.

So the new year is one of vast peril and difficulty. Everybody will have more work and problems than he wants and, for most, it will be a lower standard of living.

But never in the history of our planet has mankind, and everything in which decent men and women take honor and pride, stood in graver danger.

And for many, the chief question about 1951 will be about the prospects for life itself.

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Some Good Work Here

Government and business alike can find guidance and enlightment of a high order in the report of the Ball Committee on Overseas Investment issued at Ottawa.

As might be expected, the committee finds that the obstacle to overseas investment most frequently mentioned, is the "restriction on capital movements resulting from foreign exchange control regulations by all the principal countries of the world with the exception of United States and Switzerland." It argues that Canada's influence in this field is disproportionate to her population, and that we should take the lead, not only a close scrutiny of our own regulations, but by extension of mutual or reciprocal agreements covering a wide range of exchange, tax and related matters. There are a number of specific suggestions in this regard which deserve attention at Ottawa.

One feature of the report is of special interest, that is the clear analysis of the limits to which a country like Canada may be expected to contribute to overseas investment. Because our international accounts are traditionally in close balance, our available export "surplus" in 1949 was only $180 millions against a corresponding figure for the U. S. of $6 billions.

The report urges special attention by Canada to direct or branch plant type investments. But it warns of our limitations at a time when Canada is experiencing a big capital boom of her own. It urges special consideration by the Canadian Government of joint action with other commonwealth countries along the lines of the Colombo plan, for aid in Asia.

Within its covers the report is constructive comment and suggestion on government fiscal policy, together with specific suggestions for future action.

More Iron, Uranium Lined Up in Canada

Outlook For Strategic Minerals Gets Boost —Eldorado Plans New Mill on Ace Lake Property — Steep Rock's New Ore Deposit

Canada's strategic metal outlook, booming since the end of World War II, took an even brighter turn this week.

The developments came in iron ore and uranium.

At Ottawa, William J. Bennett, president and managing director of Eldorado Mining & Refining (1944) Ltd., told The Financial Post: "We are now able to say definitely that we have a mine in our Ace Lake uranium property."

From M. S. Fotheringham, president of Steep Rock Iron Mines Ltd., Atikokan, comes the word that a limited amount of exploration along the mile between the Hogarth and Errington mines "strongly suggests the existence of still another major ore deposit, perhaps as large as any of those under development."

Consideration is presently being given to testing by geophysical surveys two more areas in Steep Rock Lake which are both extensive and geologically favorable.

"Highly encouraging results" have attended Inland Steel exploration of Steep Rock's C ore zone while geophysical surveys and a limited amount of drilling by Steep Rock have indicated the possibility of a fourth substantial ore deposit in the same section of the property.

Reports in usually well-informed circles say an important new financing deal is pending for Steep Rock.

That Eldorado will lose little time in moving to bring Ace Lake into production was indicated by Mr. Bennett, who told The Post:

"The size of our ore body and the tonnage of our mill won't be known for another six months. But we'll start building staff houses for our mine property in early spring. We're already considering a townsite."

Eldorado started sinking a shaft in its new Lake Athabaska property in Saskatchewan last January. Tunnelling operations began in April. Already some 5,000 ft. of underground lateral tunnelling has been completed.

Open New Levels

"Results of two levels at the west end have been very encouraging" says Mr. Bennett, "so much so that we now know we have a mine. We are now able to make preliminary estimates of tonnages and grade at the west end of the property.

"We are now sinking to third and fourth levels and are also making dressing tests on bulk samples of ore. We expect to be in a position very shortly to consider plans for a mill.

"At present our objective is to get more information underground and find a suitable ore dressing process. In the early spring we'll build our staff house and lay out our townsite. The whole thing is very encouraging."

PRICES

Tin cans for Canada's 1951 canning crops will be higher priced. Steel Co. of Canada has announced a 16.7% increase in 1951 prices of tin mill products—most of which go to the canning industry. New base price for tin mill products for 1951 will be $9.70 per base box for 1.50 lb. coating of 100 lb. basis weight; old price was $8.35. New prices reflect sharp increase in price of tin since Korea.

Butter prices are pointing higher with sharp price spreads between areas. Storage butter held by government will not be sufficient to meet all demands until next May and Ottawa seems reluctant to release as much butter as is now required. Although Ottawa is selling the butter at 57c a lb. wholesale prices have moved up to a high as 66c a lb. in certain areas. There is a strong rumor that a shipment of some four million lbs. of New Zealand butter is on its way to the Canadian market. Such a shipment could cause an easier price trend.

Egg prices have declined from a high of 65c a doz. wholesale two weeks ago to around 45c a doz. currently. Increased production plus sharp curtailment in U.S. buying (which had been a big factor in the sharp rise) are important factors bringing prices lower.

Soft drink prices are on the move. Orange Crush has announced that price of its Orange Crush, Hires and Mandalay Punch are now 7c a bottle in the Winnipeg area, 36c per half-dozen bottle carton. Old retail prices were 6c and 30c respectively. Adverse effects of the 30% federal tax on soft drinks, plus cost increases all along the line forced the increase, it was said. At the same time it was indicated that price increases will follow in other parts of Canada.

Corn products—corn syrup, corn starch and laundry starch—have increased 20c case to retailers due primarily to inability of producers of American hybrid corn to meet the demand for corn.

Coffee price has been increased 2c a lb. to the trade. This will shortly be reflected at retail levels.

All pulps are in exceptionally strong demand with higher prices coming into effect in first quarter of 1951. Price hikes will vary considerably from producer to producer but will likely average out at around $10 to $15 a ton. Unbleached kraft, however, at $150 a ton will be selling $30-$40 higher than in the current quarter.

Average Plant Not Affected By Buying

MONTREAL (Staff) — The average Canadian Manufacturer's operations haven't been affected yet, except through material shortages, by either Canadian or U. S. defense programs, nor have the defense contracts reached him yet.

So concludes the Canadian Industrial Preparedness Association on the basis of results so far in its recently accelerated survey of Canadian industrial defense potential. The survey has now covered 300 companies, of which 160 have been visited and the remainder canvassed by questionnaire (to be followed by a visit later).

CIPA states that manufacturers who in peacetime are not considered suppliers to the services haven't yet been involved in defense contracts. While this is largely due to the fact that orders haven't been placed for heavy equipment, other than aircraft, ships, vehicles and naval guns, it means that a large number of companies who would normally be sub-contractors haven't been called yet, and have little idea of what will be expected of them under the defense program.

Want Information

The association points out that many companies contemplating expansion would like to have some government recommendations on the probable wartime use of their expanded facilities so they could plan their expansion accordingly. However, nothing more than general advice can be given them at the moment, because defense production requirements haven't been established to a sufficiently definite degree.

The survey has found that manufacturers generally are willing to undertake studies of the problems which would be involved in a changeover from peacetime to wartime production, and within reason, at their own expense, if they could be provided with some general details of what their wartime role might be. Those making non-essential civilian goods are particularly anxious to see where they can fit in so that they can do some preliminary planning and eliminate too long a changeover.

Those making more essential-type products aren't so con-

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Canada to Double Defense Program?

Extreme Gravity of World Outlook, Particularly in Europe, Behind Ottawa Decision to Step Up Preparedness Effort

By KENNETH R. WILSON

OTTAWA (Staff) — A chilling fear of prospects in Asia and in Europe is spreading over Capitol Hill.

The temperature had been dropping for some weeks, took a further slide when Canada's delegates returned from the secret conference of North Atlantic powers in Brussels.

It will be reflected in another very substantial increase in and acceleration of the Canadian defense program.

The new appropriations may well be double the 1950 rate of spending, or 50% above the expected billion dollar budget for 1951-52, that was projected prior to the Korean defeat.

Size of the appropriations may not be known or officially endorsed until Mr. St. Laurent returns from Britain in mid-January. But the principle of the increased effort will likely be okayed before the Prime Minister leaves for overseas next week.

Behind this new enlarged expansion is:

1. The Korean defeat;

2. Realization, now almost complete, that the Russians are prepared to risk all-out war.

This is the appreciation of the events of the past two weeks which was shown first in President Truman's "National Emergency" speech, and more recently at secret discussions of the North Atlantic Powers in Brussels.

Up until the Brussels meeting, Canadian authorities were inclined to question the wisdom of the U.S. position.

Present concensus suggests that Canada will decide that the present emergency is so grave as to warrant a defense effort greatly bigger than anything heretofore planned.

If this view prevails, it is not expected that this will involve Canada in any immediate manpower crisis.

Also, it is not expected that new wartime emergency measures will be required.

The U. S. has gone a long way in recent days in willingness to negotiate all issues with Peking. The fact that these offers until now have been completely rebuffed is taken as confirmation of the extreme gravity of the world situation.

There have been three major revisions of U. S. mobilization planning in the past nine months.

In March, 1950 the period of "utmost peril" was held to be 1953-54.

In July this was amended to 1952-53.

Today the time of "utmost peril" is set as 1951 — between now and spring.

The new program, in the present view, will probably be handled largely under our present emergency powers or at the most with some additions, which will fall short of a declaration of the War Measures Act.

It is said here that even the billion dollars which it was expected would be needed in 1951-52 would provide equipment and establishment for an addition of only 12,000 men for the armed services.

This is somewhat less than is being currently added by present recruiting methods.

The explanation is found in figures given by Defense Minister Claxton to the Dominion-Provincial Conference earlier this month. He stated that the cost of enlisting, feeding, housing and equipping each extra man in the air force was $20,000 annually ($16,000 for equipment); navy were $14,000; an armored soldier $11,300; an infantry soldier $7,350.

Thus the cost of a fighter air squadron equipped with the new F-86 jets is put at $20 million. Yet the manpower involved would be only a few hundred men.

It is reported our two fighter jet squadrons, one of which is shortly going to U. K. for training, will be expanded to six; also that our antisub. squadron will be increased from less than one at present to three.

To date, the disposition has been to justify Canada's present defense program by comparing it with what other North Atlantic partners have done in 1950 or what has been projected for 1951. On some comparisons we come out fairly high.

On this basis it is claimed that

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Inside News

1951 Outlook

What are the prospects for Canadian business next year? What commodities will be in long and short supply? How much will prices rise? How is industry facing the transition from peacetime to emergency economy? Thoughtful forecasts by business leaders (p. 3) and an industry-by-industry The Financial Post survey (p. 15).

What to Build?

Canada's construction industry is geared for capacity performance. What will it be allowed to build? What factors may cramp its style? An analysis by The Post's construction editor, John Caulfield Smith (p. 22).

Arming Europe

The U. S. wants armed allies in Europe. Question is what to do about Germany. Britain's policy is puzzling. London Calling (p. 20).

Investment Switch

Compton's manager sold Abitibi preferred shares, invested in common stock. For reasons behind the move and details of how the account now stands, see "Managed Investment" (p. 5).

Municipal Financing

Will municipalities be doing more, or less financing in 1951 than this year? What are their problems; what's money market look? (p. 16).

Heavy Demand For Pulp Sends All Prices Up

MONTREAL (Staff) — Heavy demand for all grades of pulp has left the price picture for the first quarter of 1951 in a confused state.

Increases have been put into effect for all types, but the size of the hikes varies greatly among the various producers. Some unbleached grades are selling as high or higher than the bleached pulps, and the spread in contract prices for the same pulp grades is running as high as $25 a ton.

At least one eastern mill's contract price for unbleached kraft in the first quarter is $150 a ton. Bleached kraft, which normally sells about $18 a ton higher, is being sold for anywhere from $135 to $160 a ton with some up as high as $200. Unbleached sulphite is also selling as high as $150 a ton, with the range for bleached sulphite $145-$150.

Even higher prices are reported in some instances; the spot market especially has been strong. It is this terrific demand, say pulp men, that has led to the discarding of normal price relationships.

Groundwood Up Too

At $150 a ton, unbleached kraft is selling $30-$40 a ton above fourth quarter levels. Unbleached sulphite prices in the fourth quarter have been around $117 a ton, bleached sulphite about $135, bleached kraft $141-$146. Scandinavian pulp has been consistently higher than the North American pulp, and will be again in the New Year.

Groundwood has also shared in the increases, will sell around $100 a ton in the first quarter compared with $80 in the quarter just ending and $65 earlier this year.

At least part of the demand is due to U. S. Government orders for paper, containers and for paper products requiring use of paper and paper products. However, for most grades, government requirements, both direct and indirect, accounted for a relatively small proportion of the total demand, up to the end of the year, according to U. S. reports.

The paper and board industry has been operating at record levels for the better part of this year in order to cope with civilian demand. It's thought in some quarters that demand may level out later on, at least temporarily, as the effect of shortages of other materials and direct government controls cut into civilian production. When the full weight of defense buying is felt, however, it's expected that any slack that might develop would be quickly absorbed.

In addition to the demand from Canadian and U. S. pulp users, there is also the strong potential demand from overseas countries which has been restricted, although to a decreasing degree lately, by import and currency curbs. There's some pressure being exerted to have some sort of allocation system instituted so that nondollar Western-bloc countries can fill their pulp and paper requirements in the interests of Western defense. If such a plan were included in over-all North Atlantic Pact raw materials planning, it could mean an even tighter supply situation, industry sources say.

Favor Offering to Public In Canada For World Bank

OTTAWA (Staff) — Both here and in Washington, The Financial Post is informed that the Government and World Bank authorities are "very interested" in the proposal that public offering of the bank's bonds be permitted in Canada.

The proposal was made publicly here last week with publication of the report of the Ball Advisory Committee on Overseas Investment (see p 18). The committee recommended that "careful consideration be given to the possibility of increasing Canadian external investment" through the IBRD.

"Increased Canadian participation," said the Ball report, "would not only add to its available resources but would also enhance the international character of the institution as a lender, thus enabling it to realize its potentialities more fully."

Two months ago, The Post is informed, there was more likelihood of a World Bank issue being floated in Canada than there is today. Both bank and government authorities are still very much interested in the idea, but the recent upsurge of defense needs has made it more questionable whether there will be sufficient supply of Canadian materials in 1951, to warrant a Canadian issue. In short: could borrowers get the goods in Canada, even if the funds were available in this country?

World Bank authorities tell The Post that borrowers from the bank have been asking increasingly for Canadian funds. To obtain such funds there are three alternatives:

1. Buy Canadian dollars with their U. S. funds;

2. Use some of the Canadian dollar subscription to the bank's capital resources.

3. A direct borrowing operation by the bank in Canada.

So far as use of the Canadian subscription, the Canadian Government has already granted permission to borrowers to use $12 millions out of the $58.5 millions of Canadian funds which comprise Canada's subscription to the fund. (Subscriptions to the bank are payable 2% in gold or U. S. currency; 18% in the member's own currency. The balance is payable only and to the extent necessary to meet losses. Canada's subscription is $325 millions.) Altogether, some $15 or $20 millions of Canadian dollars have been made available so far to borrowers who desire Canadian currency.

And the easy and obvious way to finance further Canadian dollar needs would be to make further drawings on the Canadian subscription.

But for the long term, World Bank officials see important advantages in direct Canadian borrowing in the open market.

1. In the long run the bank will be required to borrow substantially. Therefore everything possible should be done to familiarize the public with the bank's securities.

2. It would be an impressive indication of the bank's strength if a successful borrowing operation were to take place outside the United States.

Imper'l Studies Sarnia Step-Up

Imperial Oil Ltd. is seriously considering installation of additional refining capacity at its Sarnia plant. The Financial Post is informed. Although plans are far from finalized, officials are reported thinking in terms of a possible 50% boost in daily refining capacity and installation of fluid catalytic cracking units. The Sarnia refinery now has a daily rated capacity of around 55,000 bbls.

Rapidly growing demands for petroleum products in the heavily industrialized Central and Southern Ontario market areas with the accent on gasoline (of higher octane ratings) and heating oils has indicated need for stepping up daily production runs and installation of new fluid catalytic cracking units.

No "Secret Deal" Canada and U. S. On Aluminum

OTTAWA (Staff)— Statements of a certain notorious U. S. radio commentator to the contrary, there is no "secret deal" between Canada and United States for a new aluminum contract.

There have been no new developments since the Hon. Charles Sawyer invited Trade Minister Howe to Washington to discuss a new purchase arrangement.

The view held here is that there won't be any decision in the U. S. until early next year when its new mobilization chief, Charles Wilson, has a chance to get his feet on the ground and size up this very important program.

Local Reds Gird for What?

Top Communist Brass to Meet in Toronto January 25-28

By RONALD WILLIAMS

The Communist party line for 1951 — probably the most critical policy decision for the Reds and Canada in the party's 30-year history — is going to be sketched in: between Jan. 25-28, Canada's top Communists will gather in Toronto for the fourth national convention of the Labor Progressive Party, the alias the party has been using since 1943. (The United States Communist Party held its 15th biennial national convention in New York this week.)

After a public session, party big shots from all over Canada will withdraw behind closely guarded doors at headquarters of the United Jewish People's Order, to get their orders and bone up on new strategy.

The LPP Outlook

For the Canadian Reds, it could be a fateful session. For if war with Russia does come, it will be their last demonstration in the open. The Reds have no illusions. They know that the minute war is declared, the LPP will be banned as its forerunner, the Communist party, was in the last war.

Every known Communist will be a marked man, his name on a one-way ticket to the internment camp. Ottawa has already indicated they will grab every Red they can lay their hands on. During the last war, they nabbed about 100 and held them for the duration of the Stalin-Hitler love pact.

10,000 on List

If there is a next time, the police will be looking for at least 10,000. That's about the bedrock of dyed-in-the-Red Communist strength in Canada. Hundreds of them are in key defense industries. All will be classed as potential saboteurs, along with every other party member.

In addition, a lot of people not actually in the party but who have ridden the Red bandwagon for years, knowingly or not, will have a lot of explaining to do.

Underground Plans

The party has already made arrangements for key officials to go underground. Cover names and hideouts have been assigned; an underground communication network set up.

Most of the 100-odd delegates to the January convention fall in the category of "key" officials.

They will try to vanish as Tim Buck did during the last war and run the party machine from a hideout.

Buck successfully evaded arrest all the time Stalin was Hitler's buddy. He finally gave himself up when Russia became one of the United Nations and Canada freed the 100 Reds it had interned.

Only Politburo Knows

Setting up this underground network is the most important task the Reds have today. But it's doubtful if a word will be said about it at the coming meeting. The Reds just don't operate that way.

Except possibly for the Politburo, a council of half a dozen or so top Red brass which meets daily in Toronto, underground operations are on a person-to-person basis: there is rigid overall control from the top but in the lower echelons an underground operator receives orders from only one person and is answerable only to that person. Except at the top, no one individual knows too much. If he's caught the loss is minimized.

Hence, even in the secret sessions of the conference, the matter of hideouts and undercover names isn't likely to come up.

One very serious factor is that the Reds, fearing just this, have a policy of keeping the identity of some of their key people a secret. So how complete a clean-up police could do is a matter of doubt.

The propaganda line to be worked out at the national con-

(Continued on page 2, col. 6)

Pace of Business

Manufacturing inventories October up slightly to 133.6 (1947=100), 2.1 points over September, 8.2 over October, 1949. Only one group — construction materials — below preceding month. Capital goods inventories, index 104.0, at highest 1950 level.

Pulp and paper industry set new record 1949, advance due to inclusion of Newfoundland. Otherwise decrease from 1948 due to drop in pulp exports and price. Gross production value $836.1 millions ($825.9 millions 1948). Number of mills up 6 to 123. **Newsprint** output 1949 record high 5.2 million tons valued at $408.0 millions (4.6 million tons at $402.1 millions in 1948).

Wood pulp output first nine months 1950 was 5.8 million tons, up 3% over 1949, according to Canadian Pulp & Paper Assoc. Exports were 1.3 million tons, up 17.4% over 1949.

Car loadings week ended Dec. 16 defied seasonal trends to jump to 79,580 (72,019 in 1949). Cumulative loadings down by less than 1% to 3.8 million cars.

Pig iron production higher in October at 205,811 net tons (166,020 1949). Cumulative total up 4.2% to 1,903,262 net tons.

Coal production November lower at 2 million tons (2.1 millions last year). All areas declined except N. S. and Sask. Cumulative total down 1.4%.

Electric refrigerator output rose in September to 32,095 units (16,733 last year). **Washing machines** fell to 27,231 (29,342 Sept., 1949).

LABOR ROUNDUP

By RONALD WILLIAMS

What Will Union Target Be In 1951? Price Control No. 1; Wage Drive To Ease?

Labor made out all right in 1950 (The Financial Post, Dec. 23); how about 1951?

One thing seems sure: aside from temporary dislocations due to shortages or changeover from civilian to defense work, there should be more skilled jobs and eventually more jobs of all kinds than there will be manpower to handle it.

Shortages have already begun to show up. The fast-expanding aircraft industry is scouring the country. Some machine tool manufacturers are scraping the bottom of the barrel. By early summer, the situation is expected to become critical, particularly if the defense tempo picks up.

This lop-sided supply-demand situation will likely have an important bearing on other labor factors: strikes, wage demands, productivity, etc. In all cases, it will weight the scales in labor's favor.

With this in mind and based on public and private statements of union leaders and management, here's the way things seem to be shaping up:

Wages

Despite the pending acute shortage of labor, unions may not stage a concerted drive for pay raises, at least not the leading CIO groups which usually lead the pay parade. Most of these have agreements which run from two to five years. Wages are geared to the cost-of-living index. In addition, workers are guaranteed a yearly raise based on the annual "improvement factor" (higher productivity). This should rule out wage drives this year by pace-setting CIO Steel and Auto unions.

Furthermore, voluntary raises given by some industries have already taken the edge off the sharpest union demands. Requests for similar supplementary increases are pending in other major sections and will likely be settled amicably.

However, the bidding for workers will tend to send wage rates up so that the net result may be another round of wage increase. If so, it will be the sixth round since the end of the war. The record, compared with the Cost-of-Living index.

Round	Hourly Earnings*	Cost-of-Living Index	*Weekly Earnings
1('45-'46)	Up 5.3% (to 70.6c)	Up 9.6% (to 135.5)	$32.59
2('46-'47)	Up 5.1% (to 82.2c)	Up 14.4% (to 155.0)	36.57
3('47-'48)	Up 13.5% (to 93.4c)	Up 3.7% (to 160.8)	40.91
4('48-'49)	Up 5.4% (to 98.4c)	Up 0.9% (to 162.3)	44.23
5('49-'50)	Up 6.1% (to 104.4c)	Up 4.6% (to 169.8)‡	46.27
6('50-'51)	??	??	??
1945-1950	Up 50%	Up 42.1%	Up 42%

*In manufacturing at Sept. 1.
‡At Sept. 30, 1950.

Strikes

The same factors apply to strikes as to wages: long-term contracts have tied the hands of the more aggressive industrial unions (exceptions: in the electrical, base metal mining, shipbuilding industries where Communists rule some union roosts). In addition, the need for uninterrupted defense production will have a marked influence. Workers will think twice before voting for a strike, let alone actually striking, and thus perhaps endangering a preparedness program.

Subject to some irresponsibility and Communist subversive activity, the 1951 strike record should be the closest to the lowest in the postwar period. The record since 1939:

	Strikes	Workers Involved	Man-Working Days Lost	% of Est. Working Time
1939	122	41,038	224,588	0.02
1945	197	96,068	1,457,420	0.18
1946	228	139,474	4,516,393	0.50
1947	236	104,120	2,397,340	0.26
1948	154	42,820	885,793	0.09
1949	127	47,973	1,060,338	0.11
1950*	119	49,289	903,938	0.16

*To Oct. 31.

* * *

Social Security

Until Ottawa makes up its mind about old age pensions, social security and pensions will be left in abeyance. Labor started out in 1949 with security No. 1 on its list. At that time it looked as if the boom was wearing a bit thin and raises would be hard to get. By summer, the economy was running faster than ever before. That and Korea made security a side-issue. Unions pressed for, and in most cases got, mid-contract raises. This year the economy will be going faster still; the Ottawa decision on old age pensions may be some time off; unions that are not tied to long-term agreements, don't think they will have any difficulty getting "reasonable" raises. That pretty well rules out pensions as a union target. However, long-sighted managements that had already started looking into social security and employee benefit programs were expected to proceed Now they will have a chance to beat unions to the punch.

* * *

Communists

This might well prove to be a decisive year in the long struggle to oust Communists from unions. An important factor will be the industrial defense program. Before an industry or firm gets a government order for equipment that is in any way secret, it's employees will have to be screened. That will weed out most of the Communists and put the issue squarely before the union: back up the government or support the Reds. This question is likely to explode before long. It is already an issue in some plants. How many unions, even the aggressively anti - Communist groups like Steel, will go as far as expelling Reds flushed out this way, is hard to say. So far, in the CCL-CIO, the main battle has been at the top policy-making level. There's still a big job to be done at rank and file level. So far, only a few unions have taken action at this level (AFL Chemical Workers is one). Most unions are afraid of being smeared by the Reds on the charge that they deprived a working man of his job. Being past masters in the art of distortion, the Reds could make out a case that would frighten off many union leaders. However, the urgent needs of defense should, and in many cases will, outweigh all other considerations. If the International crisis continues to develop, the Communists in Canadian unions should be a lot closer to the knockout stage in 1951.

* * *

Political Action

The CCL will continue to actively support the CCF (the CCF was re-endorsed as its political arm at the Winnipeg convention last September); but except on special occasions, the AFL will likely cling even more tenaciously to its traditional "no-politics" rule. AFL let down its political hair a little in 1950 here and in the United States with unhappy results: labor's political campaigns were far from successful. Where it is obviously a political move, AFL will probably give such campaigns the go-by. However, on issues such as price control, the tendency may be the other way. Furthermore, say its supporters in justifying the AFL/TLC stand, it is more economic than political. This explains why all Canadian labor is united for the first time on a major issue—price controls. The campaign, announced last month, gets under way in January and is aimed at reaching its peak during the coming session of Parliament.

With many of the bigger CIO-CCL groups (Auto, Steel, Textile, Rubber, etc.), it will be the big talking point, at least for the first part of the year: it will be the escape valve for the head of steam labor usually lets off in demands for wage increases. This year with so many of them tied up by long-term contracts, this pressure campaign looks like the best bet to keep the minds of rank and file occupied.

WATCH FOR THESE —

JAN. 6 — Index of Major Articles, 1950. Invaluable for reference to back issues on what The Financial Post published during the year.

JAN. 6 — Record of Financing, 1950. A month-by-month record of security offerings by business corporations, Dominion and Provincial Governments and municipal corporations.

JAN. 13 — Price Range of Stocks, 1945-1950. Gives you the yearly highs and lows on all listed securities for last six years.

EVERY WEEK — Business news that keeps you in the know.

J. T. BRYDEN

assistant general manager of the North American Life Assurance Co. has been appointed general manager.

Heavy Backlog Canadian Car Railway Orders

MONTREAL (Staff) — Orders now on hand for railway rolling stock should keep the car shops of Canadian Car & Foundry Co. fully occupied "well into 1952," President Victor M. Drury told shareholders at the annual meeting.

The car division represents about two-thirds of the total productive capacity of the company, the president pointed out. Prospects depend on the availability and procurement of essential material.

"The international situation, coupled with railway requirements, will preclude acceptance of export business for some time, although contacts are being maintained by the export division," Mr. Drury stated.

Railway orders for rolling stock in 1950 were not enough to provide uninterrupted operation of the car shops, and sales volume of other divisions did not compensate for the loss in revenue in the car division.

The Fort William automotive division was active in the manufacture of buses and trackless trolleys and the automotive engineering division has developed a new smaller bus, the pilot model of which is on a demonstration tour. Company has also arranged with A.C.V. Sales Ltd. of London, Eng. for the sole rights to distribute the AEC diesel engine in Canada and the U. S. This engine is now available for installation in company's Can-Car-Brill buses.

Orders are on hand for reconditioning and conversion of Harvard aircraft for the RCAF. The possible expansion of the present air training plan may mean more business for the aircraft division.

The foundry division will be able to supply large cast steel trucks for diesel locomotives and passenger cars, formerly imported from the U. S., as a result of an affiliation with the General Steel Castings Corp. of Granite City, Ill.

Regarding sale during the year of the Amherst plant, company points out that for some time past it had become increasingly difficult to maintain and operate this plant on a profitable basis. It was considered to be in the best interests to sell it, "even though the sale price showed a considerable capital loss."

Average Plant Not Touched

(Continued from page 1)

cerned because they believe their production would be affected very little in wartime.

Some Pinched

Some in the "non-essential" group are already feeling the pinch caused by U. S. restrictions on steel exports, CIPA finds. Many companies in this category have had to depend in the past on warehouse stocks, the U. S. and other foreign countries for their supplies because they weren't sufficiently established with the Canadian steel companies to obtain their supplies direct. This has made them more vulnerable now.

Apart from normal economic and commercial reasons, it would be unfortunate for companies in this category to be forced to stop operations as their facilities and abilities would be very much needed in the event of hostilities," the association points out.

Commies Plan Party Policy

(Continued from page 1)

vention is indicated in a "draft resolution."

1951 Policy

The sub-headings give some idea of what to expect:

U. S. Imperialism plans war.
The People Want Peace.
St. Laurent Government: a War Government.
CCF Leaders in the War Camp.
French Canada is for Peace (they are making a great play to capitalize on French-Canadian nationalism).
Build, Extend the Peace Movement.
Withdraw Our Troops from Korea.
Recognize People's China.
No Conscription: Hands Off Canada's Youth.
Welfare — not Warfare.
Stop Profiteering.
Tax The Rich.
For a Canadian Farm Policy.
Build and Defend Unions.
Build the LPP.
Strengthen Party Organization.
More Work Among Women.
Win The Youth.

What are the Reds really up to? The New York State Federation of Labor recently said it was this:

" . . . to spy for the Russian military machine, to sabotage production, to create and aggravate social conflict and to divide and weaken the free peoples of the earth so that they should be crippled and defeated in their resistance to Soviet imperialist aggression and its armed hordes, as in Korea."

May Double Arms Program

(Continued from page 1)

for Canada to field a brigade group of 5,000 troops in Europe by the spring of 1951 would be quite proportionate to anything that other partners will do. To this line of argument one high official here said, "This just means we all drown together." (Press reports last week that Canada would field a "small division" of 10,000 men in Europe are stated to be wrong.)

Unless or until the Cabinet approves the new stepped-up program now under review, the best Canada was intending to do, The Post was informed, was to field one brigade group. There would be some difficulty doing even that, so long as we are tied down in Korea. It is only on the assumption that Korea is a thing of the past by spring, that Canada would be able to send even a trained brigade group to Europe in the spring.

What's likely from the new appraisal of the next few days is a stepping up in Canada's contribution of weapons, equipment and of our contribution in airpower rather than manpower for Europe.

For example: If Britain can get the engines, we'll likely offer to build 400 F-86 planes (double our present order) at Canadair, and charge the cost to arms aid. The cost of jets alone for such a program would run $350 to $400 millions.

As well, there is talk now of a greatly expanded air training program in Canada for British and North Atlantic nation fliers. This is now in the experimental stage, may be greatly expanded in 1951 at very heavy cost to Canada.

Consideration is also being given to expanded army training facilities.

It has been an eye opener to defense authorities to realize that there is no fall or winter training ground big enough to accommodate and train in Canada a force such as the 10,000-man, two-brigade group now at Fort Lewis.

What's needed is at least 75 square miles of territory free from heavy snowfall and forest fire hazard. Even if such a territory can be found in Canada it would require perhaps $50 millions for roads and other development costs.

Fort Lewis has accommodation for over 30,000 and is considered ideal. Tentative proposals to more than double its capacity involve figures in excess of $750 millions.

Manpower Costs

Extension of the manpower cost figures given by Mr. Claxton in December suggest that a full infantry division of 15,000 men would cost $110 millions, an armored division $170 millions. An extra 2,000 men in the navy would run about $30 millions and 3,000 extra Air Force personnel would cost $60 millions.

These figures are inclusive of accommodation, equipment, etc. Also involved may be a new federal commitment for civil defense to speed up and implement present provincial and municipal efforts.

Adequate manpower for a stepped-up defense production program must sooner or later become a serious problem for Canada. The present view is that the problem is not immediately urgent except perhaps for Air Force ground crew.

Presently we lack enough equipment and accommodation for greatly expanded forces. But Canada and Iceland are the only two Atlantic Pact nations without compulsory training or service. How long we can support a sharply higher effort by voluntary methods will likely be the big question mark of 1951, assuming our defense effort is enlarged along lines indicated above.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Association of Canadian Distillers — A. M. Henderson, president; O. D. Johnston, vice-president; H. K. M. de Kuyper, vice-president; Denis E. Amyot, secretary-treasurer.

Canadian Commercial Corp. (Ottawa) — Cyril Arthur Robert Snell, general manager; W. R. Harris, assistant general purchasing agent; Group Capt. V. S. J. Millard, director, Emergency Production Allocation Division; J. M. Priddle, assistant to managing director; Charles Auguste Drouin, assistant to general purchasing agent.

Canadian Machine Tool Builder's Association — A. R. Oliver, president; J. T. Hepburn, Jr., vice-president; Colin Coggs, treasurer; C. H. Staples, secretary.

Canadian National Railways (Toronto) — C. K. James, purchasing agent, Western Region.

Canadian National Railways (Montreal) — John W. Grant, supervisor of budgets.

Cunard White Star Ltd.—Dudley Page, president Cunard Donaldson Ltd.

Canada & Dominion Sugar Co. (Chatham) — Horace Havemeyer, Jr., of New York, director.

Dominion Foils (Canada) Ltd. — A. Piche, vice-president, managing director; J. Gledhill, vice-president in charge of sales.

Dominion Paper Box Co. (Toronto) — Charles W. Stephens, general manager; Clifford S. Smith, assistant general manager and comptroller; F. B. Trelford, sales manager.

Dominion Textiles Co. (Magog)—Harold Le Duc, manager; Ernest Sewell, technical director; W. J. Pilton, superintendent, print works; John Boardman, superintendent, cotton mill.

Gooderham & Worts Ltd. (Toronto) — Robert H. Hood, Sidney Brownless, sales staff.

Metropolitan Life, Canadian Head Office (Toronto) — Robert A. Benson, assistant medical director; George R. Berry, assistant vice-president; John A. Foran, assistant secretary.

Montreal City & District Savings Bank (Montreal) — Guy Vanier, president; Walter Molson, vice-president.

Montreal Locomotive Works Ltd. (Montreal) — Stephen G. Harwood, sales manager.

Phoenix - Connecticut Insurance Group and Westchester Fire Insurance Co. — Robert Rankin, branch manager, Western Canada, Winnipeg (at own request); Tom Hanson, and Paul Quesnot, assistant managers, head office, Montreal; W. Holden, superintendent, inland marine department, Montreal; Clive Webster, assistant to Gordon Salt, manager, Ontario service office, Toronto; James Buchanan, resident superintendent, Edmonton; W. Perego, inland marine special agent, Winnipeg; L. A. Lamirande, secretary Reliance Insurance Co. of Canada, Montreal; Brian Caton, inspector for Eastern and Northern Ontario, with headquarters at North Bay; George Moore, inspector, hail and farm department and Western Ontario Field Office, London, Ont.; Charles Godmer, superintendent Quebec; Bernard Valois and Mario Bertie, inspectors, Quebec.

RCA Victor Co. (Montreal) — J. H. Hamilton, sales manager Hotpoint Appliance Division.

Transportation Club of Toronto— J. Donaldson, president; C. E. Hunt, 1st vice-president; K. J. Bays, 2nd vice-president; William G. Hamilton, secretary; W. E. Hendershot, treasurer.

University of New Brunswick (Fredericton) — Beverley F. Macaulay, business manager.

Advertising

O'Brien Advertising Ltd. of Vancouver announces 1951 campaign for Coast Breweries in British Columbia dailies and weeklies.

* * *

Coronet TV, newcomer to Canadian television field, appoints Windsor office Walsh Advertising Co. to handle advertising, promotion. Introductory campaign will feature full, half pages in selected newspapers, inviting readers to test Coronet in their own homes alongside other makes.

* * *

Effective Jan. 1, two New York firms with branches in Canada, Anderson Davis & Platte Inc. and John A. Cairns & Co. Inc. will be merged into Anderson & Cairns, Inc. John A. Cairns & Co. of Canada with headquarters in Montreal will change its name to Anderson, Smith and Cairns, Ltd. Harvey H. Smith, president of Anderson, Davis & Platte and a principal stockholder, director Anderson & Cairns, will become head of Canadian operation. A. Collin Rayment will continue as managing director.

Jamaica Public Service May Add to D Shares

MONTREAL (Staff) — Jamaica Public Service Co., operating subsidiary of Jamaica Public Service Ltd., has called special meetings for Jan. 3 and Jan. 18 to consider a proposal authorizing creation of additional "D" preference shares. The proposed increase consists of 513,698 shares of £1 par and one share of 12s. 7d. par.

Purpose is to obtain funds for future construction and property improvements and to repay temporary bank loans.

There is already outstanding $1,847,333 in 5% cumulative preference "D" shares.

Look For It Here

Dec. 30, 1950

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COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

WESTERN CANADA BREWERIES net profit for the 10-months period ended Oct. 31, 1950. (end of new fiscal year) amounted to $1,641,612 as compared with $719,658 for all of 1949. The 10 months figure reflects consolidation of Western Breweries, acquired early in 1950, and earnings of the brewing subsidiaries in Manitoba and Saskatchewan for the period from Feb. 15, 1950, to end of fiscal year.

Marketing of company products was handicapped by a severe winter in British Columbia and the record Manitoba flood. Despite these abnormal obstacles, sales were well maintained. Company's investment in shares of Distillers Corp.-Seagrams has been reduced to 50,000 shares.

As at close of business on Oct. 31, 1950, the company took over all the assets and businesses as going concerns of The Drewry's Ltd., Winnipeg, and Drewrys Ltd., Saskatoon. Products produced therein continue to be sold under the "Drewrys" trade mark.

Sale of Distillers stock brought the company a profit of $1,289,864 and this together with dividends and interest from investments provided an investment income total of $1,497,351.

CONSOLIDATED INCOME ACCOUNT

Period of:	10 mos. ended Oct. 31 *1950	Year ended Dec. 31 1949
Net earnings	$1,975,052	$1,177,061
Add: Inv. divds.	197,988	128,100
Prof.. invest. sale	1,289,864	......
Less: Inc. tax	649,777	392,500
Deprec.	459,470	193,003
Interest	248,847	......
Disc. & exp. f. debt	414,756	......
Subsid. prof.	48,442	......
Net profit	1,641,612	719,658
Less: Divds. paid	152,246	519,964
Surplus for year	1,489,366	199,694

*Reflects consol. of Western Brew. Ltd. acquired early in 1950. Oper. results of B. C. parent and subsid. cos. included for 10-month period; Sask. and Man. subsids. included for 8½-month period.

Combining the earnings of Western Canada Breweries Ltd., and its subsidiaries, and Western Breweries Ltd. and its subsidiaries, net profit for 1949 to Oct. 31 (10 mos. for Western Canada Breweries and a year for Western Breweries) amounted to $1,586,357.

Earnings per Share and Dividend Record:		
Common	$2.70	$1.25
Paid	†0.25+‡1.00	0.60+0.30

†Payable Dec. 1, 1950.
‡Approp. through surplus in 1949.
▲Includes $2.12 per sh. profit on sale of invests.

CONDENSED CONS. BALANCE SHEET

As at:	Oct. 31 1950	Dec. 31 1949
Cash & govt. bds.	$3,176,358	$27,697
Accts. rec.	1,101,318	708,625
Inventories	1,531,709	654,867
Total curr. assets	5,809,385	1,391,189
Prep. exp.§	93,325	......
Dist.-Seag. shs.§	426,165	1,039,844
Inv. & adv., subsids. & affil. cos.	1,442,615	......
Misc. assets‡	355,677	426,880
Fixed assets*	4,793,253	3,080,948
Excess cost subsid. shs.	3,320,827	......
Total assets	16,241,247	5,938,861
Bank overdr.	......	8,193
Accts., etc., pay.	1,178,952	431,805
Divd. pay.	152,246	584,215
Total curr. liab.	1,331,198	1,024,218
Reserves	‡	56,325
Min. int. in sub.	591,260	......
Funded debt	7,758,550	......
Capital stock	3,044,920	2,388,690
Surplus	3,515,319	1,969,428
*After depr. of	3,478,841	1,147,535
‡Incl. ref. EPT	35,091	171,390

§Incl. in curr. assets in co's report.

Contingent liab.	608,000	387,000

‡Transferred to earned surplus.

Working capital	4,478,187	366,971

SECOND CANADIAN INTERNATIONAL INVESTMENT CO. net profit for the year ended Nov. 30, 1950 amounts to $44,354, up 27.1% from the previous year's $34,886.

Although investments at Nov. 30, 1950 are carried at $304,889 (302,289) current market value is stated to be $786,000 ($668,000). Asset value of combined preferred and common stock as at Nov. 30, 1950 was $14.51 as against $12.39 the previous year's end.

INCOME ACCOUNT

Years Ended Nov. 30:	1950	1949
Net income	$48,166	$38,354
Less: Gen. exp.	3,342	2,991
U. S. inc. tax	470	477
Net profit	44,354	34,886
Less: Pref. divds.	27,860	20,430
Com. divds.	14,142	10,371
Surplus for year	2,352	4,085
Earnings per Share and Dividend Record:		
Pref.: Earned	$1.19	$0.94
Paid	0.40+0.35	0.40+0.15
Com.: Earned	1.56	1.06
Paid	0.75	0.40+0.15

CONDENSED BALANCE SHEET

As at Nov. 30:	1950	1949
Cash	$25,692	$21,994
Accts. rec.	1,370	4,316
Investments*	304,889	303,289
Total assets	331,951	329,599
Accts. pay.	125	125
Capital stock	280,010	280,010
Surplus	51,816	49,464
*Mkt. value	786,000	668,000

O'BRIEN GOLD MINES realized a profit of $140,693 equal to 4.3 cents a share in the year ended Sept. 30, 1950, against 4.1 cents a share a year earlier.

With a two-year program of road-building into the Bachelor Lake area started by the Quebec Government, President J. Barry O'Brien expresses the hope that this work will be sufficiently advanced to permit transport of heavy machinery (for underground work) before elapse of another year.

Bulk of ore milled during the year at the parent mine was replaced by ore developed in older sections of the mine with no development undertaken during the year on three new levels below 3,000 ft. No. 3 shaft was reopened and several old stopes were placed in operation.

Work on the Waswanipi claims failed to disclose ore values and no finds were made by a Carpiquet twp. prospecting party.

INCOME ACCOUNT

Years Ended Sept. 30:	1950	1949
Bullion prod.	$1,086,217	$951,916
Add: Other inc.	48,837	48,424
Cost-Aid assist.	89,699	86,791
Total income	1,224,753	1,087,131
Less: Oper. costs	935,795	793,766
Admin., etc., exp.	45,092	43,259
Depreciation	38,276	28,974
Def. devel.	22,258	20,339
Out. expl. w/o	21,639	45,716
Inc. tax res.	21,000	20,000
Net profit	140,693	135,077
Less: Dividends	162,500	162,500
Deficit for year	21,807	27,423
Earnings per Share	$0.043	$0.041
Paid	0.05	0.05

CONDENSED BALANCE SHEET

As at Sept. 30:	1950	1949
Cash & bullion	$166,303	$166,638
Govt. bds. & int.	1,711,499	1,607,749
Accts. rec.	1,404	6,533
Cost-Aid assist.	45,000	50,000
Total curr. assets	1,924,206	1,830,920
Stores & def. chgs.	186,164	223,874
Misc. assets	11	11,811
Claims & props.	1,385,123	1,383,123
Plant & equip.*	122,301	146,910
Total assets	3,617,803	3,596,638
Accts., etc., pay.	78,016	53,748
Taxes reserves	23,002	3,337
Total curr. liabs.	101,018	57,085
Def. liab.	25,233	31,104
Capital stock	3,000,000	3,000,000
Surplus	491,552	510,449
*After depr. of	905,307	863,320
Working capital	1,823,188	1,773,835

OPERATING STATISTICS

	1950	1949
Tons milled	66,894	58,093
Aver. recov.	$16.24	$16.39
Ore reserves, tons	165,530	173,738
Aver. grade, oz.	0.396	0.403

CLASSIFIED ADVERTISEMENTS

Classified ads cost 8c per word and figure for each insertion. Minimum charge $2.00. Add six words when box number is required. When replies are to be mailed to advertiser add 15c. Classified ads payable in advance. Contract rates on application.

POSITION AVAILABLE

HARDWARE MANAGER

REQUIRED BY LARGE general wholesale organization covering the Province of Saskatchewan. Must have thorough knowledge of modern merchandising techniques and substantial wholesale and retail hardware experience with sufficient executive ability and administrative experience to manage all hardware operations. Reply stating complete particulars including salary expected. Replies will be kept strictly confidential.

BOX NO. 103, THE FINANCIAL POST, TORONTO

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LARGE LOGGING FIRM requires man capable of administering general woods office, supervising woods accounting. Excellent opportunity for an individual to create his own position. Reply stating complete particulars including salary expected. Replies will be kept strictly confidential.

BOX NO. 112, THE FINANCIAL POST, TORONTO, ONTARIO.

BUSINESS PERSONALS

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1951
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WANTED
A modern plant with facilities for the quality production of light to medium duty equipment is required by one of our clients. Must be within 60-mile radius of Toronto. 50,000 to 100,000 sq. ft. with adequate space for expansion. Other lines not necessarily required. Arrangements can be made for owner to continue in managerial capacity if desired. Reply in first instance to Allan R. Sills and Company, 137 Wellington Street West, Toronto.

BATH-TUB MANUFACTURING TIE-UP REQUIRED
Old Established United Kingdom manufacturers of cast-iron, porcelain enamel Bath-tubs, invite correspondence from Canadian concerns interested in the possibility of co-operating on an equitable basis, in the manufacture in Canada, of tubs for the Dominion and U. S. A. markets. Existing foundry capacity not necessarily essential. Representative visiting Canada, sailing from England January 15th. Please therefore reply urgently by AIR MAIL to, in the first instance, Box No. 115 The Financial Post, Maclean-Hunter, Limited, Sun Life of Canada Building, 2/4, Cockspur Street, London, S.W.1, England.

WHOLESALE HARDWARE MANAGER
Large wholesale organization covering Saskatchewan area requires manager of Hardware Department. An up-to-date knowledge of Hardware Merchandising, together with a high degree of administrative and supervisory ability is essential. Responsible for the co-ordination of Hardware activities at the wholesale and retail level. Superannuation, group insurance and other employee benefits. Initial salary $5,000 or more, according to qualifications.
BOX 116, THE FINANCIAL POST, TORONTO

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Old established construction company for sale in important Western Ontario city. Annual sales of commercial and residential building exceed one million dollars. This company enjoys steady growth and is well and favourably known. Good reason for disposal which will be made known to responsible parties. Confidential enquiries from principals only invited.
Box 111, The Financial Post, Toronto

WANT TO KEEP ABREAST OF TRADE?
The Financial Post reports trends and developments in domestic and foreign trade and the Ottawa machinery back of them. Concise, authoritative, specific. Read The Post regularly for red and green lights.
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How Businessmen See Canada's Prospects for 1951

What will business be like in 1951?

Defense preparedness will make it boom in some lines; will put the squeeze on some nonessentials. Prices are likely to be higher; taxation and higher operating costs cloud the earnings picture.

That's the composite view of the thinking of some 100 leading Canadian businessmen who replied to The Financial Post's invitation to state their views, which follow.

International uncertainty dominates the whole picture, but there seems little doubt that business activity will continue at a high level.

Each year at this time The Financial Post invites leading businessmen to make a brief statement on the outlook for the coming year. They were asked to discuss:

—the probable business trend in 1951;

—prospects as to price levels;

—major problems ahead.

Replies are given on this and succeeding pages.

D. W. Ambridge

President and General Manager, Abitibi Power & Paper

The outlook for 1951 in any sphere is beclouded of course by the danger of a third world war

Looking back over the last stormy forty years one would think that those of our ships which have come safely through the heavy weather should be entitled to a breathing spell. Apparently this is not to be and so the captains on the bridges must gird themselves and their ships' companies for another tussle with the elements.

The watchword must be production, production to sustain the armed forces, production to sustain the home front and so ensure more production.

It seems quite clear that this is to be the central thought in all planning which will be done in 1951. It is not so clear that all the planners are familiar with the mechanism of production or know the right buttons to push.

The operators of industry, therefore, have a clear duty to perform. They must be ready to produce the goods and services which will contribute most effectively and with the least possible use of manpower and resources, and finally they must use their knowledge and their energy fearlessly in guiding the planners.

It is no light task but it can be done.

* * *

Arch. F. Baillie

President and Managing Director, Dominion Oilcloth and Linoleum Co.

During 1950 the linoleum industry's constructive program has been continued, further increasing the productive capacity of the mills. In addition, more building operations will be carried out in 1951.

Raw materials with the exception of burlap have been in good supply though high in price. The costs of the main raw materials, linseed oil, burlap, cotton and felt, are pretty well at their all-time high.

The industry has recently granted substantial wage increases, largely on account of the cost of living curve in Canada, which now seems to be progressively upward. Wages being paid by the industry in Canada are at present approximately three times those paid for comparable services in the United Kingdom.

Imports — chiefly from the United Kingdom — have been heavy throughout the year due to the low cost of British goods as the result of cheap labor and the devaluation of the pound sterling. The emergency Exchange Conservation Act is being relaxed on January 1st, 1951 after which increased imports from the United States will be inevitable.

Export trade has dropped to a very low level on account of the scarcity of Canadian dollars available to foreign countries where, in addition to exchange control, restrictions on the importation of Canadian linoleums, etc., are still in force. The recently announced British West Indies Trade Liberalization Plan does not provide the Canadian linoleum manufacturer with any access to British Caribbean markets.

In any event, no matter to what extent import controls are relaxed on our products in sterling areas, the relationship between the pound sterling and the Canadian dollar renders our prices prohibitive.

Increased Canadian rail freight rates, with further increases pending, have added to the industry's costs of raw materials as well as to the delivered costs of its finished products.

Since the demand still continues great, the prospects for the next few months appear to be reasonably good, provided naturally that there is no important deterioration in the world political situation.

* * *

Hugh N. Baird

Chairman, National Steel Car Corp.

The railway equipment industry throughout 1950 has been quite busy. The volume of production restricted somewhat because of a strained material situation, steel in particular. The approaching new year again suggests the industry will be fully employed. Important railway orders for diversified types of equipment, both passenger and freight, already have been placed. Added to this, industrial developments likely will be placing orders for special equipment such as will share priority on steel and it is also reasonable to assume that further programs of railway equipment will be given consideration in the near future and with these additional orders it is likely the volume of business will carry the industry into the early months of 1952.

The importance of the defense program and the development thereof are an added burden to the demand for steel. Canadian mills are fully employed and already our Government has found it necessary to assist and has arranged for a substantial tonnage contribution from the United States so that the requirements of our railways and industries can be cared for. In other words, the situation suggests the defense program will take priority and the requirements of railways and industry will follow and will share to the fullest, and steel distribution will be directed under Government control effective Jan. 1 next.

Lumber is in improved supply and somewhat easier in price but the present trend of equipment prices is likely to be fully maintained because of price increases of steel.

Labor has been co-operative and a continuation of present day working conditions is hoped for. Recent rulings of government commissions should enable the railways to determine their wage position for an extended period, which is helpful.

In so far as export business is concerned, very little, if any, will be possible. The requirements of Canadian railways and industrial needs will absorb material supplies. Furthermore, the equipment industries abroad would appear to be in position to care for foreign needs.

Whilst some inquiries are reaching this side from foreign shores, it is doubtful if the Canadian car building industry can be interested on account of having a full order book for home requirements.

* * *

Gordon R. Ball

General Manager, Bank of Montreal.

As far as can now be foreseen, 1951 should be a year of intensive business activity and one in which combined demand for civilian and defense purposes will be pressing heavily upon available supply.

Export trade, domestic capital expansion and consumer income all seem likely to be well sustained and could quite possibly be in higher figures.

Inflationary pressures and measures to combat them will probably be well in the forefront of public thinking and government policy. But while the business background should be generally buoyant the picture will by no means be uniform.

Wide swings in basic commodity prices are possible and there are obvious dangers in accumulation of inventories solely in anticipation of speculative gains. Moreover, in certain lines, civilian production schedules may be adversely affected by shortages of critical materials. In summary, while 1951 may well set a new high in business activity, it will not by any means register a low in business problems.

ROBERT P. JELLETT

chairman, Royal Trust Co., has been elected a director, International Business Machines Co.

* * *

John J. F. Bancroft

Vice-president and man. director, Jenkins Bros., Ltd.

In endeavoring to assess the prospects for a year ahead, there are so many perplexities that a prophet is bold indeed who attempts to be dogmatic.

Having in mind the industrial prosperity of the last few months, and without the complication of recent developments in the international sphere, there seems no doubt that business would continue at a high level; further that prices, having failed so far to reach any degree of stability, would continue to rise, particularly in view of continued demands for increased wages.

That picture has changed radically, within the past few days — the proclamation of a state of emergency in the United States, with its effect on Canada, as well as our own stepped-up defense program, will mean that many factories will be operating at capacity. Undoubtedly some lines considered nonessential to the preparedness effort, will be adversely affected, and there will be shortages of material. However, the new situation should bring about unequalled prosperity and result in some stabilization of prices and wages.

* * *

Russell D. Bell

President, Greenshields and Co.

Prospects for 1951 from today's indications are for active business and rising commodity prices, generally speaking. As and when strategic materials such as steel are diverted from present use, a temporary slackening will develop in some places. Such areas of slack water should be eventually absorbed in the over-all tide of re-armament production.

The present indication is that the bond market will continue to reflect the current higher rates for short and long term money. The stock market may be disturbed by a higher corporate taxation base and by the factors mentioned in the first paragraph. However, the outlook for a diminishing value in the purchasing power of the dollar, rendering good equities more attractive to investors than cash, together with the probability of a continued aggregate high volume of business, should sustain stock prices in general.

* * *

J. U. Boyer

President, Canadian Bankers' Association.

The major problem facing the Canadian economy for 1951, as I see it, is the problem of rearranging our course so as to head off, defeat or minimize inflationary tendencies arising out of the pressure of new defense expenditures upon an economy of very high employment both of people and resources.

There are so many imponderables for Canada inherent in the world situation that it would be fanciful to forecast the general price level, other than to say that it will be governed by the degree to which all anti-inflationary measures are successful. I have confidence that they can be successful, given an absence of too many arbitrary controls.

The best anti-inflationary measure is greater production of goods and services. Canada and Canadians have a pretty sound approach as to production, taxes, allocations and borrowings in any situation — peace, cold war, or cold war warmed up. That approach is based on lessons learned in the emergencies of the last war and the postwar period.

There is in Canada a clear-sighted if unenthusiastic acceptance of taxation and other measures needed to meet factual situations. The tasks of statesmanship are thus made less difficult. I have confidence in Canadian and free-world statecraft winning through to peace. That hope must never be given up by commonsense people.

* * *

G. S. Braden

President and Managing Director, Canada Cycle and Motor Co.

We have no way of knowing —at this stage—in what way industry will be altered by impending developments. We do know that as manufacturers of products which require the use of metals, we will be placed in the position of constantly competing for a dwindling supply of those materials.

Consumer demand is likely to continue at high level. Price levels on manufactured goods will continue to increase, but profit margins in some industries will be lower due to import competition and higher operating costs which cannot always be passed on to consumer.

* * *

Eldon L. Brown

President, Canadian Metal and Mining Association.

In view of the current rearmament program, there is no doubt that the demand for base metals and industrial minerals will keep the Canadian producers of these commodities working at capacity throughout 1951. Many producers have already started on expansion programs and a number of new mines are in process of development.

The same situation obtains in the Canadian iron ore mining industry, where current producers are expanding their facilities and new producers are in prospect.

Under these conditions the outlook for the gold mining industry in 1951 is not so good. With a fixed price for their product and the prospect of rising costs, the only hope of some of the marginal producers would appear to be more government assistance.

* * *

E. G. Burton

President, Robert Simpson Co.

As the defense program gains momentum in 1951, we can expect continued employment of all our resources. Serious inflation is by no means inevitable, if business, labor and government adopt a reasonable attitude during this period of emergency.

After all, we are embarking on a defense mobilization which will utilize less than 10% of our national income, as compared with almost 40% at the peak of World War II.

We should begin to get some substantial increases in production from industry as a result of the large capital expenditures by business over the past few years. There is very little possibility of shortages of consumer goods of the character experienced in 1943 and 1944. Any shortages that may appear will most certainly be isolated.

Retail sales should be moderately higher in dollar volume. There will likely be a switch in sales to soft goods, as a result of credit restrictions and possible cut-backs in the production of home appliances.

* * *

W. C. Butler

Manager for Canada, Pearl Assurance Co.

Inflation is the red lantern of danger which we all face in 1951. If the mounting cost of building continues to increase as it did in 1950, the question of under-insurance on practically every risk will raise its ugly head. It will result in losses both to assureds and to the companies, and it is my feeling that the government must take immediate action in 1951 to curb the inflationary cycle. Otherwise, our whole standard of living in this country will suffer.

With the clouds of war hanging low over our heads and the necessity of going ahead with our defense program, it will put a strain on the manpower situation in Canada to such an extent that we will find it difficult to carry on our business in the same efficient manner as was possible in 1950.

It is to be hoped that 1951 will not see the fire catastrophes of Rimouski and Cabana, or the flood losses of Manitoba.

The insurance business in 1950 have tried to stress safety and I know that in 1951 this will be one of their main objectives. Canada cannot stand to lose through the ravages of fire $60 millions per year, nor the appalling loss of life and property damage from automobile accidents; and 1951 must be a year in which safety must be preached if the cost of insurance is not going to rise. The public by their carefulness or by their neglect and carelessness make the rates, and this is a fact which seems to escape many minds.

Canada in 1951 must go ahead in production and population, and these two together will raise the wealth of the country.

And if the war clouds pass, I believe that 1951 will be a record year for all Canada, providing, as I have said before, that we are successful in leveling off the cost of living in this country, and I know the insurance business as a whole will do everything in its power to bring about this happy condition.

* * *

George H. Carr

President, Canadian Woollen and Knit Goods Manufacturers Association.

Industry in general, seems to be facing an improved level of business for a considerable period of time. Possibly a few soft spots may show up. Later in the year, some recession may take place and this should not be too lightly discounted. We may have a year where the first six months is one of considerable action and the second six months one of shrinking demand, continued high raw material prices, higher labor and service costs and increased competition from low-wage foreign textile mills.

Woolen mills could be concerned about the effects of the freezing of the Canadian dollar in terms of foreign exchange.

The increase of approximately 5% in the value of our dollar has somewhat modified the landed cost of wool and tops. This relief is of slight importance when the steadily rising wool quotations are given consideration. The increase in the dollar value has caused an automatic depreciation of sterling, and also the prices of landed textile imports from foreign countries. England has always supplied this market with a large amount of woolens and worsteds and England will continue to enjoy the advantages of a lower rate of exchange, lower wages and the specially low British Preferential Tariff allowed it by Canada.

On January 2, 1951, the import quotas on finished goods from the U. S. will be discontinued and this is of special interest to the manufacturers of knitted goods. We will then be able to see what the results of the lower duties on knitted goods granted by Canada at the Geneva tariff talks in 1946 and relaxation of the Canadian Customs Act, will be.

The Canadian Customs Act in 1948 was so amended that U. S. merchandise can be sold in Canada below American cost of production, without incurring dumping duties, provided similar sales are made south of the border. The Canadian market is a comparatively small market but unloading clearing lines at sacrifice prices may cause considerable trouble for mills in Canada handling the same lines of merchandise.

It might be said at the moment that the Canadian woolen and knit goods industry has seemed to overcome a period of difficulties by recovering from last spring's recession and prospects for the next few months appear to be good. In spite of this, basic causes of instability have, by no means, been removed. The industry, in 1951, will endeavor to properly supply this market with a suitable range and quantities of goods as they are demanded, hoping that the demand will be sufficient to keep its textile labor force intact and mills in full production.

C. W. Churchill

President, Chrysler Corp. of Canada.

The 12 months of 1951 may be the most important year in the history of modern man and modern industry. It will certainly see more great developments in the amazing postwar development of Canada.

No one is a prophet of doom today when he points to the unsettled international situation. No one outside the "Iron Curtain" can be accused of "war-mongering" if present developments lead him to urge preparedness. No Canadian should look at the world unsettlement with fear when he can take courage from the age-long history of free men succeeding over tyranny. Courage, preparedness, and production are the prime needs for Canadians in 1951.

In the postwar years Canada has experienced a high level of employment, a high standard of living and sound business activity. With or without the impetus of wartime production or controls, all indications lead us to believe that the Canadian economy should be busier than ever in 1951.

Of prime importance to Canada's immediate and distant future are the growth of her western oil resources, her eastern iron deposits and the postwar multi-million-dollar expansion of her industries. These developments provide assurance of attractive investments in this country for years to come and hold promise of continued employment in many fields over a long period of time.

The long-term future of Canada is already assured for years to come. It can be viewed only with confidence. On the other hand, immediate problems may be great and difficult, but experience has proven that Canadians can meet any problem facing them as a country and emerge free — stronger — and more active than ever.

We in the automobile industry have shown in two World Wars that we can quickly adjust ourselves to any defense requirements. The seemingly impossible was achieved by the automobile industry and in fact, all industry, on many trying occasions in the past. These apparent "impossibilities" were realized through the mass efforts of all courageous citizens. That courage has never been lost. When we combine it with preparedness and production, Canadians need fear nothing whatever in the future.

* * *

C. Gordon Cockshutt

President, Cockshutt Plow Co.

With conditions as they exist today, it is difficult to forecast the future. The trend is toward a tighter and probably a partly controlled economy. The degree of control will be determined by defense requirements the extent of which cannot be foreseen now. Civilian demand will probably be maintained at or near the general level of 1950. The combination of these two factors will almost inevitably result in a marked revivial of inflationary tendencies.

With costs rising, there seems little doubt that prices must advance as well, subject of course to any over-all controls which may be imposed by reason of the defense situation.

The major problem now is procurement of raw materials. Since last May this has become increasingly difficult and the outlook at present suggests that no immediate relief may be expected.

Since the last war Canada has developed in know-how and in its technical personnel. We are in this respect at least in a better position to make the adjustments in a rapidly changing economy.

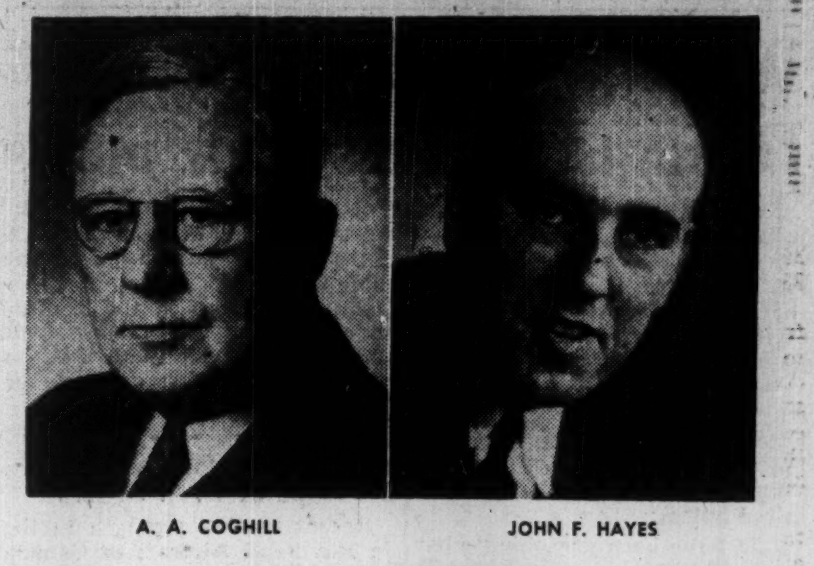
* * *

L. Clegg

President, Crane Ltd.

The outlook of the plumbing and heating industry for 1951 is one of controlled optimism. The present high level of construction contract awards points to active spring and early summer business tempered to a degree depending in part on the severity of the winter and the availability of needed construction materials.

(Continued on page 7)



A. A. COGHILL JOHN F. HAYES

Philip S. Fisher, President of The Southam Company Limited announces the retirement on December 31st., of A. A. COGHILL, Vice-President and General Manager of Southam Press, Montreal. Mr. Coghill has been associated with Southam Press for over forty years and will continue in his capacity as Director of the Company. The appointment of JOHN F. HAYES, as Vice-President and General Manager of Southam Press, Montreal, filling the vacancy which has been created by the retirement of Mr. Coghill, is also announced by Mr. Fisher. Mr. Hayes was formerly Vice-President and General Manager of Southam Press, Toronto, and is a Director of The Southam Company Limited.

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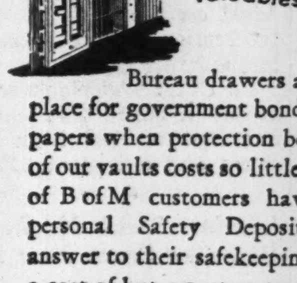

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and that

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INVESTMENTS THIS WEEK

What is Dividend Policy? Demand For Answer Mounts

Recently The Financial Post pointed out that shareholders — the owners of the business—were asking to an increasing extent that company management and directors declare their company's policy re dividends.

Further evidence of this demand was seen in the many letters received commending The Post on this article. Here are some of the comments included in the letters:

—"I have been preaching what the writer writes for a good many years but without much result. I have ordered 30 extra copies to send to directors of companies in which I have heavy investments."

• • •

—"Too often, it would appear, the top management and directors are influenced by their own position rather than by the position of the smaller shareholders.

"A declaration of dividend policy would go far in reassuring the smaller shareholders that the directors really have their interests at heart."

• • •

—"This subject is one, which I feel deserves more attention than it has received and I am accordingly glad to see Financial Post taking the part of the small stockholder.

"There has been and still is far too much of a tendency on the part of management to protect its own position by building up reserves and forgetting that after all there are a great many stockholders, each a part owner of the company, who need dividends to live on."

• • •

—"Directorates only too often treat with utmost secrecy information to which all shareholders, both large and small, are entitled. Dividend policy is no exception to this, and we feel that more publicity along the lines expressed in your article would be of the greatest service to the small investors of this country."

• • •

—"Your timely article voices the query, I am sure, of many shareholders. There is a feeling abroad that not sufficient attention is paid to the plight of the small shareholder. His voice is rarely heard and, if it is, it does not seem to carry much weight. Surely directors should have some policy regarding the amount of profits that should be allotted to shareholders. It is all very well to finance extensions through profits but that is benefitting future rather than present shareholders. Jam yesterday, jam tomorrow but none today. Charles Schwab, from his experience, concluded that a safe policy was a dollar for the company and a dollar for the shareholders. In other words, he thought that 50% of the profits should go to the shareholders."

As pointed out in the original article, company management and directors would do well to heed this mounting demand for information on dividend policy.

de Havilland "A" Strong On Hope of U. S. Orders

Recent market strength in the de Havilland Aircraft of Canada Class "A" would appear to be based partly on expectation of orders for its "Beaver" planes from the U. S. Army Airforce.

No orders have been received but the company has a letter of intent from the U. S. Army Airforce for two airplanes, Vice-President and Managing Director Philip C. Garratt tells The Financial Post. These are expected to be used for testing purposes and, according to unconfirmed reports may be sent to Alaska. Another four planes also may be ordered for testing purposes.

Actual U. S. Government orders will depend on tests started early this month at Wright-Patterson Field, Dayton, Ohio. Test results are not expected to be known until early in February.

de Havilland has turned out over 100 Beavers since it started producing them in the fall of 1947 and is at present sold out till April on the basis of its current production of one plane a week, Mr. Garratt says.

Its Class "A" stock was selling at $38 a share this midweek. It has had a 1950 high of $41 a share and a low of $12 a share.

London Stock Market Diverges From New York

Although the London stock market usually fluctuates less violently than the New York stock market, prices of London stocks dropped more sharply than those of New York stocks when Chinese troops began to enter Korea in large numbers. While U. S. stocks have since recovered a large part of their losses, London stocks haven't shown the same resiliency.

One reason for the better performance of U. S. stocks is said to be the popularity of the rails. Since Korea, U. S. rail stocks have been strong. War traffic means better income for railroads and, because of their heavy capital investment, the carriers are pretty well sheltered from an excess profits tax. British railroads were taken over by the government a few years ago so that market has no rail stocks to support it.

Another factor depressing London stock prices is the effect of Chinese intervention on Malayan rubber and tin shares. Still another is the weakness in South African gold mining shares—"Kaffirs."

NOTICE OF APPLICATION TO THE PARLIAMENT OF CANADA FOR A PRIVATE BILL

Notice is hereby given that an application will be made to the Parliament of Canada at the present, next or following ensuing session thereof for an act to incorporate a company under the name of Trans-Canada Pipe Lines Limited, or such other name as Parliament may grant, for the purpose of acquiring, constructing, owning and operating pipe lines to transport or transmit natural and artificial gas and oil, within Canada and without, and to exercise such other powers as may be necessary to accomplish the aforesaid objects, subject to the provisions of The Pipe Lines Act and other relevant statutes.

Dated at Ottawa, Ontario, this 15th day of December, 1950.

HERRIDGE, TOLMIE, GRAY & COYNE,
140 Wellington Street,
Ottawa, Ontario,
Solicitors for the Applicant.

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$12 Million Cement Plant For Que. City?

MONTREAL (Staff) — Construction of a $12 million cement plant at Quebec City with capacity of 1¼ million barrels per year is under consideration, says Armand Viau, Quebec City's Industrial Commissioner.

The project has been approved without restriction by the Quebec Board of Trade. The decision to go ahead now rests with European interests that have formed a syndicate to finance the undertaking, Commissioner Viau told The Post. The decision may come within the next 30 days, he said.

The plant was first proposed by the City's Board of Trade three years ago to cope with the cement shortage then felt to be restricting growth of the area, Mr. Viau said. The present European group has had the project under study for some time, shipped out three or four experts to make a report (now completed). Location has been narrowed down to a choice of three or four sites on which "the necessary options have been obtained."

The plant, properties and working capital will require about $8 millions and the necessary rail and dock facilities another $3 millions-$4 millions, Mr. Viau estimates.

Plans take into consideration the whole Canadian supply picture, present Canadian capacity and also the new cement plants now building or planned.

Steel Supplies Hit Production Nat. Steel Car

The plant of National Steel Car Corp., Hamilton, Ont., has been virtually closed this week because of steel shortage, President R. S. Hart says. Only a few men are still working preparing materials.

The outlook is not very good for operations in January but is expected to be better in February, Mr. Hart says. The 8,000 tons of steel products a month promised by the United States to aid the Canadian car building program is not expected to be available till about March.

The company has about $35 millions of orders on its books now, which it is anxious to get out, he pointed out. Employment was running around 1,000 men before the shortages hit again; is expected to be built up again to that figure or higher if supplies warrant.

The first six months of the current fiscal year which started July 1, 1950, have been ahead of the similar period in the previous fiscal year, Mr. Hart says. For the year ending June 30, 1950, the net profit was $1,348,351,—equivalent to $1.92 a common share.

Robinson Cotton Mills Moves To Capitalize Undist. Income

Shareholders of Robinson Cotton Mills Ltd. this week unanimously authorized action by directors to capitalize undistributed income on hand in accordance with Section 95 (A) of the Income Tax Act.

They also authorized an application for supplemental letters patent to create 500,000 shares of 2% non-cumulative redeemable preferred stock, par $5, instead of the 25,000 shares of $100 par preferred suggested in the notice of meeting.

Plans are to declare a stock dividend on the outstanding 150,000 common shares payable in the new 2% prefered shares, President and Managing Director W. W. Robinson says. For the future, directors are considering, subject to then existing conditions, redeeming 5% of the outstanding preferred annually and, if profits after payment of the 2% preferred dividend warrant it, will further consider whether to redeem a higher percentage than 5% or to pay a cash dividend on the common, Mr. Robinson explained.

Robinson Cotton Mills common is currently selling about $14½ a share, its 1950 high. It had a 1950 low of $8½ a share. Surplus at Dec. 18, 1949 amounted to $2,101,945.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

COCKSHUTT PLOW CO. consolidated net profit for the year ended Oct. 31, 1950 amounted to $2,032,786, down slightly from the previous year's $2,070,013. Sales dropped slightly both in Canada and in the export market, due largely to the readjustment to a seller's rather than a buyer's market, President C. Gordon Cockshutt states. One U. S. distributor — Gamble-Skogmo — has withdrawn and been replaced by National Farm Machinery Co-operative.

For the first time in the post-war years, supply of farm implements exceeded demand and, in view of increased competition, additional stocks were kept in dealer's hands, which has increased accounts receivable and the setting up of a new item of $1,175,955 on the balance sheet representing unearned income in sales to dealers.

New warehouses were built at Winnipeg and Smiths Falls and plans are under study for one at Montreal. Development of new lines was aggressively pushed and resulted in several new products being introduced, including a small "20" tractor and a new power take-off combine.

Prospects for 1951, from the point of view of demand, are reasonably encouraging, Mr. Cockshutt says, although it is felt that there will be some reduction in civilian business due to shortages and controls in connection with steel and other materials.

The company has budgeted about the same for 1951 as for 1950, feeling that any loss of civilian business might be made up in defense work.

There has been no major change in business with the sterling areas, most of this work having been under E.R.P. and now curtailed to some extent.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1950	1949
Net earnings	$7,896,381	$7,980,886
Less: Int. on bk. loans	46,289	38,981
Bond int.	198,099	202,162
Depreciation	980,824	872,816
Invent. res.	......	1,000,000
Doubtful debts res.	750,000	......
Deferred inc.‡	1,175,955	......
Inc. tax res.	2,727,000	3,850,000
Add: Prof. on prop. sold	14,572	53,086
Net profit	2,032,786	2,070,013
Dividends	662,222	534,050
Surplus for year	1,370,564	1,535,963

‡Represents unearned income on sales to dealers.

Earnings per Share and Dividend Record:		
Common	$4.76	$4.85
Pay. fol. year	1.55	1.25

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1950	1949
Cash	$4,911,590	$5,104,282
Accts. rec.	5,815,082	1,123,228
Inventories‡	11,207,101	13,158,752
Total curr. assets	21,933,773	19,386,262
Misc. assets▲	308,454	334,541
Fixed assets*	6,108,685	6,443,482
Total assets	28,350,912	26,164,285
Accts., etc., pay.	2,530,823	2,231,540
Taxes pay.	2,352,898	2,887,073
Total curr. liab.	4,883,721	5,118,613
Deferred income	1,175,955	......
Funded debt	4,625,000	4,750,000
Conting. res.	2,500,000	2,500,000
Capital stock	7,735,554	7,735,554
Capital surplus	1,463,176	1,463,176
Surplus	5,967,506	4,596,942
‡After res. of	2,250,000	2,250,000
*After depr. of	9,151,446	8,246,317
▲Incl. ref. EPT.		
Working capital	17,050,052	14,267,649

$4.5 Millions Work At P & G, Hamilton

Provo Construction Co., Hamilton, has been awarded a $2 millions contract by Procter and Gamble of Canada for installation of special equipment at P & G's Hamilton plant. The equipment includes: tanks, pumps, compressors, motor conveyors, process and high pressure steam piping, power wiring and installation. Next February Provo expects to complete two previous contracts of a similar nature for $2.5 millions awarded by P & G in 1948-49. L. H. Schwindt and Co., of Hamilton are associate engineers under the direction of P & G's chief engineer, J. A. McCuaig.

HENRY BORDEN

president of Brazilian Traction, Light & Power Co., has been appointed a director, Canadian Investment Fund Ltd.

Dominion Glass To Improve Plant

MONTREAL (Staff) — Further improvement is expected in the current fiscal year, Dominion Glass Co. President L. J. Belnap told shareholders at the annual meeting. In the year ended Sept. 30, 1950, production and sales were higher and net profit rose 10.6% to $1,655,449 or $6.93 per common share.

Mr. Belnap added that the over $1.5 millions spent on capital expenditures during the period will now benefit the company. Another $1.2 millions will be spent on plant improvement this year, he stated.

Shareholders approved a pension plan for employees.

French Funds For Canadian Investment, Development

MONTREAL (Staff) — French capital will be moving into Canada in the fairly near future through the newly formed Confederation Development Corp. — a new investment company organized by a group of prominent French investment and industrial companies, with participation by Canadian interests.

Backers include: Banque de Paris & Des Pays Bas; Credit Lyonnais; Cie Universelle Du Canal Maritime De Suez; Union European Industrielle & Financiere; The Schneider Interests and Air Liquide. Sole Canadian firm involved is L. G. Beaubien & Co. However, various other individuals in Canada will be participating.

In Canada recently to finalize details of the new company was Jean Rayre, general manager of Banque De Paris & Des Pays Bas. He said the main object of the company will be to invest in and develop new projects. He feels that Canada has a bright future, and that French industrial technique and "know-how" could be applied here to advantage. It is expected that initial operations may get under way early in 1951, although extensive investigations will be conducted before any projects are undertaken.

No public participation is now planned. Authorized capital consists of: 100,000 5% cumulative preferred "A" shares, par $100; 500,000 5% cumulative redeemable preferred shares, par $10; and 100,000 no-par-value common shares. So far, $2.5 millions of the "B" preferred shares have been subscribed for at $10 per share, along with a portion of the common stock. After the company has become well established, shares may be sold to the public.

Largest part of the shares so far subscribed for will be taken up by the French interests.

New U.S. Rule Helps Salesmen Cross Border

A new U. S. customs rule makes it easier, faster for Canadian salesmen to take samples to the U. S. The new rule allows free entry of samples without the deposit and more complicated procedure formerly required.

Now a foreign salesman will make a personal bond, involving no cash or surety. It is, in effect, his word that he will export his samples when he leaves the U. S. The old rule required cash or surety equal to at least one and one fourth the estimated duty.

Salesmen will still need certified consular invoices for samples valued at more than $500.

U. S. customs warns that the privilege of personal bond will be withdrawn from salesmen who do not follow rules. Salesmen must cancel their bonds at customs offices before leaving the U. S. (so customs can see they did export the samples). The descriptive list that must be presented on entering the U. S. must positively identify individual samples: indelible numbering or tagging is recommended.

Former practice involved services of a custom broker. His fee is now eliminated, as well as delays sometimes running into days in congested ports.

What Are CPR Rail Properties Worth? May Be Major Point in Rate Decision

MONTREAL (Staff)—The railways are calling for a head-on attack on an obstacle which has been skirted consistently in rate-making decisions heretofore. They want a value placed on the investment in Canadian Pacific Railway's rail properties. For rate-making purposes, they want a rate of return established on this investment that would be "fair and reasonable to Canadian Pacific."

(Under the present system, rates are based on calculations as to the revenue required to cover the fixed charges, dividends and surplus of CPR, the "yardstick" railway).

The move to change the rate-setting method was included in the rate application made to the Board of Transport Commissioners last week by the Railway Association of Canada. The railways want an immediate 5% hike (and 10c a ton on coal and coke) to offset the recent 7c-an-hour wage increase for non-operating employees, and such further increase as will be needed to offset the higher costs involved in putting into effect the 40-hour week June 1 next.

In asking that a rate base and rate of return be determined by the board, CPR (with the concurrence of the other railways) suggests that the board now audit the company's rail investment account at CPR expense.

The railway also gives notice that after the board sets the net investment figure and a fair rate of return, they will propose such rate increases as may be necessary, in the light of the board's finding. They leave the door open, however, for a rate award on the old basis in the meantime.

Have Sidestepped Issue

The question of establishing a base on which the rate of return could be estimated has been brought up at previous hearings, but only in the course of argument and not as part of the main application. In each case, the issue has been sidestepped in the board's final dicision.

For instance, in the judgment of March, 1948, in which the board awarded a 21% increase in rates, the board stated that "the question is much too extensive and complicated to be taken into consideration at this time."

CPR brought up the matter again at the hearing later that year for a further 20% increase in rates. Company evidence put its net investment in rail properties at approximately $1,001,000,000, and suggested that the rate of return on this investment should be used as a test of the fairness of freight rates.

However, in the subsequent judgment granting an 8% interim increase (September, 1949), Chief Commissioner M. B. Archibald stated that he accepted the contention of Saskatchewan and Maritime counsel "that much more evidence than that adduced will be necessary to justify . . . deciding that . . . a rate base has been established for the purpose of dealing with this application."

U. S. rail rates are set on a rate-of-return basis, but so far there has been no comparable system in Canada. To establish a proper base, according to some rail experts, a complete survey of the value of railway property would have to be undertaken. This basic information has never been available in Canada.

Board Head's View

Chief Commissioner Archibald, also in the 8% interim judgment, said that apart from any considerations as to whether CPR had produced sufficient evidence to establish a rate base, "it would not in my opinion be fair to increase the freight rates as the result of a rate base established for any one of the applicants." He suggested there should first be more detailed study of the financial needs of all the other railways or an appropriate rate base for each of them.

Later in the judgment he referred to the difficulties of determining a base figure even for CPR alone. He pointed out Saskatchewan's contention that CPR's $1 billion base figure included $170 millions in items given CPR by Canada, and the company's counterclaim that its investments were understated by $200 millions.

"I am not suggesting that the company's books do not correctly reflect its investment position from a corporate standpoint. There may be advantages in being able to accept the statements of the company and disadvantages, from the standpoint of all parties, in making a rate base determination by other means. However, I do not believe that such considerations justify me in determining without further evidence and investigation that the investments have been prudently made, and that the revenues have been sufficiently accounted for."

CPR Submission

In the present application, CPR submits that the net investment in its railway property on which it is entitled to earn a fair return was $1,074,859,339 at Dec. 31, 1949 and that the rate of return on this investment should be "not less than 6½%," or roughly $70 millions a year for interest, dividends and surplus.

The application states that the Railway Association members are content that CPR continue to be used as a "yardstick" for rate making purposes. "Canadian National is not at present in a position to establish a rate base of its own, and its consent to the continued use of Canadian Pacific as the yardstick is given without prejudice to its right at any time to take a different position."

Those other than CP and CN recognize that because of their limited operations, "they could not expect to be used, either individually or as a group, as the yardstick for railway rates in Canada."

Rate-of-Return Method

The railways feel the rate-of-return method would be better than the present "requirements" basis because:

(1) The latter system "put a premium on unsound financial practices" and, if unrelated to investment in rail property, might mean higher rates for users, and

(2) the requirements method increases risk for holders of companies' equity securities, makes both borrowing and equity financing difficult and more costly.

The application notes that CPR and CNR freight volume declined in 1949 and again in the first 11 months of this year, that higher costs of both wages and materials are being experienced by member companies. It points out that even the most recent rate award left a deficiency for CPR, according to the board's calculations, of $1,017,278 for 1949.

Here are the estimated CPR results for 1950, based on 11 months' operations, including the 7c increase since Sept. 1; and also what they might have been if the current freight rates and material and labor costs had been in effect over the whole year:

CANADIAN PACIFIC RAILWAY COMPANY
Estimated Net Railway Operating Income
(Net Railway Earnings)
For the Calendar Year 1950 and for a Constructive Year

	Calendar Year 1950*	Constructive Year**
Revenues		
Freight	$307,738,000	$317,964,000
Passenger	34,950,000	35,859,000
Mail	6,398,000	5,302,000
Express	7,821,000	7,552,000
Sleeping, dining & parlor car & misc.	21,658,000	21,995,000
Railway operating revenues	$378,565,000	$388,672,000
Expenses		
Maintenance of way & structures	$ 67,694,000	$ 68,424,000
Maintenance of equipment	73,057,000	74,157,000
Traffic	8,764,000	8,784,000
Transportation	149,004,000	150,956,000
Miscellaneous operations	7,147,000	7,262,000
General	17,956,000	18,301,000
Estimated cost of wage increase of 7c per hour:		
Operating employees, annual basis		3,127,000
Nonoperating and unorganized employees—January 1 to August 30		4,996,000
Estimated cost of increase in material prices		4,588,000
Railway operating expenses	$323,622,000	$340,595,000
Provincial corporation, municipal & miscellaneous tax accruals	6,950,000	6,950,000
Dominion & provincial income tax accruals	10,300,000	8,600,000
Hire of equipment	Cr. 2,000,000	Cr. 2,000,000
Joint facility rents	Dr. 1,250,000	Dr. 1,250,000
Total expenses	$340,122,000	$355,395,000
Estimated net railway operating income (Net railway earnings)	$ 38,443,000	$ 33,277,000

*Actual revenues 11 months, actual expenses 10 months, balance estimated.
**Based on traffic volume for year 1950 adjusted so as to include traffic lost owing to the strike in August 1950 and so as to reflect increase in tolls or rates and material prices occurring during the year 1950 and in wages as mentioned in the application.

STATEMENT B

CANADIAN PACIFIC RAILWAY COMPANY
Estimated Deficiency in Total Revenues on Basis of Formula Used in Judgment of February 28, 1950

	Calendar Year 1950	Constructive Year
Estimated net railway operating income without adjustment (Statement A)	$38,443,000	$33,277,000
Add: Difference between depreciation user basis as per company's accounts and straight line basis	6,503,000	6,938,000
Income available for fixed charges, dividends and surplus	$44,946,000	$40,215,000
Deduct requirements:		
Fixed charges	$11,108,000	$10,776,000
Dividends	20,139,000	20,067,000
Allowance for surplus	15,235,000	15,235,000
	$46,482,000	$46,078,000
Deficiency	$ 1,536,000	$ 5,863,000
Allowance for applicable Dominion and provincial income tax (1)	928,000	4,074,000
Total revenue deficiency	$ 2,464,000	$ 9,937,000

	Prior to Sept. 1	After Sept. 1	Average for Year
Note: (1) Dominion income tax	33%	38%	34⅔%
Provincial income tax 5% for seven agreeing provinces equivalent rate for entire system	3	3	3
Total	36%	41%	37⅔%

Changing Times

In times of uncertainty and change, the reconsideration of investment positions is more than ever a necessity. A most opportune moment for review and analysis of security holdings is the beginning of a New Year.

The sound investment of money is a highly specialized occupation requiring years of practice. We have a background of experience in the investment business to offer men who, having the advantage of a full knowledge of the conduct of their own enterprises, appreciate the value of sound advice when investing money.

A list of your holdings sent to our nearest office will be expertly analysed and valued by our trained personnel. For your convenience, we shall be pleased to provide a pocket size "Investment Record" and enter the details of your bonds and shares in it.

This service is available without obligation to you.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg Vancouver
Ottawa Hamilton London, Ont. Kitchener
Regina Edmonton New Westminster Victoria
New York Halifax Quebec London, Eng.

Thrift Stores Sales, Net Up

MONTREAL (Staff) — Operations of Thrift Stores Ltd. in the first eight months of the current fiscal year—March 27-Nov. 11—show marked improvement over the same period last year, states President J. E. Savard in a letter to shareholders. Sales were 24% higher, net profit of $111,626 was up $70,443.

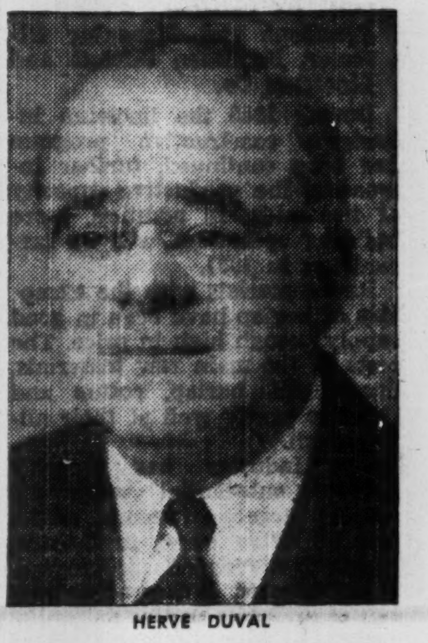
He adds that company's new stores—17 opened in the last two years—contributed 29% of total earnings this year. Average weekly sales per store have increased, and the "substantial total increase has resulted from improvement in continuing stores, as well as from new stores."

Next Jan. 4 has been set for the special shareholders' meeting to consider (The Financial Post, Dec. 2) authorizing declaration of a 10% stock dividend, a two-for-one split, and creation of 50,000 additional ordinary n.p.v. shares.

This will boost authorized capital to 200,000 shares, and issued capital, after payment of the stock dividend, to 125,400 shares. There is no intention of issuing the remaining unissued shares in the near future, states Mr. Savard.

ALUMINUM CO. OF CANADA reports another 540 shares of 4% cumulative redeemable preferred stock cancelled, reducing those outstanding to 544,534.

DIRECTOR



HERVE DUVAL

Guaranty Trust Company of Canada announces the election of Mr. Hervé Duval to the Board of Directors. Mr. Duval is President of Duval Motors Limited, Montreal; President, Duval Motors Limited, Sorel; Director and a Member of the Executive Committee, Provincial Bank of Canada, Montreal. *

CAPITAL WANTED

Well established dress and sportswear factory with invaluable American styling connections reproducing nationally advertised lines having new equipment and building requires additional working capital to handle volume. Participation either active or silent, or if necessary will sell control. Usual courtesy to agents.

BOX 102, THE FINANCIAL POST, TORONTO

SENIOR AUDITOR

Required with Accounting Degree to supervise internal audit staff in expanding co-operative association. Position provides good salary plus many Employee Benefits. Preference given to applicants with related experience and administrative ability. Reply stating age, education, experience, references, salary expected, etc. to

BOX 114, THE FINANCIAL POST, TORONTO

CAPITAL WANTED

Manufacturer (established) needs capital. Has contract with Canadian Army, and is also established in Automatic Electrical Appliances and Oil Heating Equipment under exclusive American patents, with franchise for all of Canada. Requires $100,000.00. Could be secured by half interest, or shares. This is a limited liability company. No Agents please.

Apply direct to owner, P.O. BOX 2888, WINNIPEG, MANITOBA.

POSITION WANTED

Young man, graduate of University of Toronto and Osgoode Hall is open for position as junior executive in progressive company.

Experience in law, public relations and sales development.

Employed at present but looking for position where initiative and training can be more fully utilized.

BOX 113, THE FINANCIAL POST, TORONTO

SALESMAN AVAILABLE

Somewhere a leading top-notch manufacturer is looking for a mature, first-rate salesman, who can show his manufactured products of hosiery or sweaters or underwear to leading chain, departmental and retail stores in Montreal.

Should you be that manufacturer, here is a salesman highly experienced, very well-connected, intent on getting only the best of results, and with the purpose and ability to give highly satisfactory results.

I am ready to take on such a line, have as well an assistant salesman, and invite exchange of views from the right, interested party.

Box 110, The Financial Post, Toronto

MANAGED INVESTMENT

Compton Manager Switches Abitibi Pref. to Common

Compton's manager sells the account's holdings of 25 preferred shares of Abitibi Power & Paper Co. and invests the proceeds in 15 common shares. The "switch" was made largely for income tax purposes, he says.

Prospective annual income of the account has now been increased to $983.45 a year due to dividend increases and the switch. The account now has 47.5% invested in industrial common stocks and 9.9% in mining stocks — a total of 57.4% in common stocks — and 32.5% in preferred stocks, 8.1% in bonds and 2.0% in cash.

The Compton Account Transactions

PURCHASED: No. of Shares		Cost Price $	Gross Cost $
15	Abitibi Paper com. ...	40¼	609.75
SOLD: No. of Shares		Sale Price $	Net Proceeds $
25	Abitibi Paper pref. ...	24⅝	607.30

Transaction completed on Dec. 8.

Compton's Manager Says:

A "switch" was completed on Dec. 8 from Abitibi preferred to Abitibi common. This resulted in an increase in Compton's annual rate of income by $7.50 and realized a net profit of $88.55. The change was made largely for income tax purposes.

It is generally supposed in financial circles that if the preferred shares were to be redeemed by the company at the call price of $25 a share, the federal tax authorities would rule (as in previous similar cases) that the difference between the par value of $20 a share and the redemption price of $25 a share must be treated as taxable income.

In the last month several companies in which Compton has an investment have announced dividend changes, namely:

Consolidated Mining & Smelting Co. has declared, in addition to the regular semi-annual dividend of $1.50 per share on the common stock, an extra dividend of $4 per share, both payable on Jan. 15. Last July the company paid an extra dividend of $2.50 per share: and an extra dividend of $3 was paid in January, 1950.

Canadian Pacific Railway Co. has declared a final dividend for 1950 on the common stock of $1 per share, payable Feb. 28. This will bring dividend payments for the 1950 fiscal year to $1.50 per share ($1.25 per share in the preceding year). Net earnings for the 10 months ended Oct. 31, amounted to $27,189,092 ($13,003,251).

Montreal Locomotive Works Ltd. has declared a quarterly dividend of 20c per share on the common stock, payable Jan. 2. This compares with 40c per share paid in the preceding quarter. The latest declaration brings total payments for 1950 to $1.40 per share ($1.75 in 1949).

Consolidated Paper Corp. has declared in addition to a semi-annual dividend of 75c per share on the common stock, an extra dividend of 75c per share, both payable Jan. 17.

Building Products Ltd. has declared a quarterly dividend of 45c per share on the common stock payable Jan. 2. This compares with a dividend of 40c per share paid quarterly in 1950.

Canadian Industries Ltd. has declared a final year-end dividend of 40c per share on the common stock payable Jan. 31. This will bring the 1950 dividend payments to $1 per share (80c).

Cockshutt Plow Co. has declared four quarterly dividends of 40c each on the common stock, payable March, June Sept. and Dec. 1. In 1950 the company paid quarterly dividends of 35c each per share.

Gypsum, Lime & Alasbastine, Canada Ltd. has declared four quarterly dividends of 40c each, payable March, June, Sept. and Dec. 1. In 1950 the company paid quarterly dividends of 35c each per share.

The above changes together with the switch have increased Compton's prospective annual rate of income during the month by $23.63 or to a total of $938.45 a year.

Following is the position of the account on Dec. 15, 1950, as compared with Dec. 15, 1944, the date it was taken over, which illustrates the broad change in the position:

	Dec. 15, 1944 Principal $	Dec. 15, 1944 Annual Inc. $	Dec. 15, 1950 Principal $	Dec. 15, 1950 Annual Inc. $
Bonds ...	......	.....	1,154.10	33.00
Pf. stks. .	925.00	45.75	4,639.50	264.50
Common stocks .	6,661.25	284.00	6,787.04	594.25
Mining stocks .	1,750.00	64.00	1,413.50	91.70
Cash	663.75	.....	288.07	.....
	10,000.00	393.75	14,282.21	983.45

During the month ended Dec. 15, Compton received $92.60 in dividend payments. After the monthly withdrawal of $56.25, made according to the arrangement, $36.35 was added to the cash account which, on Dec. 15, stood at $288.07.

The Compton Account Now Stands

No. of Shares		Cost per sh. $	*Market per sh. $
	Common Stocks		
25	Abitibi	23	40
5	Aluminium Ltd.	49¼	89¼
10	Building Prod.	28⅞	31
10	Can. & Dom. Sugar	22	20
30	Can. Packers B	30¼	35
5	Can. Celanese	26¼	47¾
5	Can. Industries	19¾	30
10	Can. Pacific Rlwy.	13¼	22⅛
25	Cockshutt Plow	12⅛	21
20	Consol. Litho.	17¼	30
5	Consol. Smelters	85	121¾
25	Gypsum, Lime & A.	15⅜	21
15	John Labatt	20	16½
20	Montreal Locomotive	18	15¾
15	Nat. Steel Car	19¾	27½
10	Powell River	43¾	60½
20	Simpsons A	26½	35
20	Walker-Gooderham	26¾	52½
	Preferred Stocks		
30	Can. Wire. Box A	23¾	26
25	Eddy Paper Co. A $1	22	18⅛
5	Dom. Glass	35¼	34½
50	McCabe Grain A	11	10¼
25	Riverside Silk A	32½	28
10	Nat. Breweries	42⅛	37
30	D. Stuart Oil	16¼	18
120	York Knit. Mills A	7¾	6¼
	Mining Stocks		
100	Teck-Hughes	3.90	2.07
5	McIntyre	64⅓	51
15	Kerr-Addison	16¼	15½
10	Hudson Bay	45¾	53¼
	Bonds		
$1,100	Can., 3% 1959/62	100.98	101⅛
Cash			$254.27
Curr. Market Value of Fund			$16,114.58
Prospective Annual Income			$983.45
Aver. Yield on Original $10,000			9.83%

*Bid price Dec. 15.

NEW PRESIDENT

The Independent Order of Foresters announces the appointment of Mr. Lou E. Probst as President, following the retirement of Mr. Robert Bigelow, K.C.

Mr. Bigelow continues as General Counsel and a Director of the Order. *

Picard & Fleming

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BOwling Green 9-0290
Mr. Robert Lowy.

BRITISH COLUMBIA FOREST PRODUCTS LIMITED

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the shareholders of the above named Company will be held at Salon "A", Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia, on Tuesday, the 16th day of January, 1951, at the hour of 12:00 o'clock noon, for the purpose of electing a Board of Directors for the ensuing year, considering the accounts and balance sheet, receiving the reports of the Directors and Auditors, and of conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation, which authority shall expire at the next general meeting of the Company unless it is continued by ordinary resolution passed thereat, and such other business as may be properly brought before the meeting.

DATED at Vancouver, British Columbia, this 27th day of December, 1950.

TREVOR L. DANIELS,
Secretary.

NOTE: The regulations with reference to voting in respect of share warrants, as well as forms of proxy and forms of certificate by a bank or trust company as to deposit of share warrants, may be obtained from the following:

The Canada Trust Company,
455 Howe Street,
Vancouver, B.C., or
244 Bay Street,
Toronto, Ontario, or
346 Main Street,
Winnipeg, Manitoba.

The National Trust Company Limited,
20 King Street East,
Toronto 1, Ontario, or
225 St. James Street,
Montreal, P.Q., or
Cor. of Portage Ave. and Garry St.,
Winnipeg, Manitoba.

Copies of the Annual Report may be obtained on written request to the Company at its Head Office in Vancouver at 995 West Sixth Avenue, or at any of the above mentioned offices of the Canada Trust Company or the National Trust Company Limited.

HON. CHARLES A. DUNNING

has been elected chairman of the board, Canadian Investment Fund Ltd.

Dividend Index Jumps Sharply

The index of dividend payments, compiled by Nesbitt, Thomson & Co., rose sharply to an all-time high of 230.2 in December. It was 214.4 in November (1935-39=100).

Two factors contributed to the rise, the firm notes. The most important was a large number of increased dividend payments and extras in December by companies engaged in following industries: textiles, oil refining, distilling, farm machinery, mining and smelting, pulp and paper and the automotive industry. The other factor was an increased number of shares outstanding as a result of the conversion of preference shares into common shares, many of the latter carrying a higher dividend rate.

W. M. ANDERSON

has been elected vice-president and managing director of the North American Life Assurance.

Investors Mutual Puts 71.5% In Commons in First Year

At Oct. 31, 1950, ten months after incorporation, Investors Mutual of Canada Ltd. held investments of $2,282,455, with a market value of $2,378,484. Nearly 75% of its investments was in common stocks and bank stocks.

Investment distribution was as follows:

Government bonds	4.5%
Other bonds	7.5%
Preferred stocks	12.7%
Bank stocks	3.8%
Common stocks	71.5%
	100.0%

Considering only common stocks, including bank stocks, the company's representation is as follows:

	Par Value
Dom. of Can.	$75,000
CNR	25,000
Canadian Bonds	
Braz. Traction series D	20,000
B. C. Electric C	15,000
B. C. Forest B	20,000
Can. West. Nat. Gas	20,000
Col. Cellulose A	15,000
Con. Paper 1947 ser.	15,000
Ind. Acceptance	10,000
H. R. MacMillan A	15,000
McColl-Frontenac	5,000
Shawinigan Water	15,000
Traders Finance	19,000
Can. Preferred Stocks	**No. of Shs.**
B. C. Electric	250
B. C. Power A	945
Canada Safeway	103
Can. Fairbanks-Morse	100
Dominion Foundries & Steel cum. redeem. s.f.	100
Fraser Cos. cum. redeem. s.f.	104
Gatineau Power cum.	105
Gatineau Power cum.	125
Ham. Cotton cum. redeem. s.f.	150
Im. Tobacco Co. of Can. cum.	375
Industrial Acceptance Corp. cum. redeem.	100
Industrial Acceptance Corp. cum. redeem.	100
Internat'l Metal Ind. Ltd., cum. redeem. s.f.	160
H. R. MacMillan Export Co. cl. A conv. nonredeem.	750
Nat'l Breweries Ltd. cum.	150
Saguenay Power Co. cum. redeem. s.f.	25
Shawinigan Water & Power cl. A cum. redeem.	50
Shawinigan Water & Power cl. B cum. redeem.	350
Sherwin-Williams Co. of Canada cum.	100
Southern Can. Pwr. Co. cum. par	100
Traders Finance Corp. cum. redeem.	170
George Weston Ltd. cum. redeem.	195
Zeller's Ltd. cum. redeem.	300
Zeller's Ltd. cum. redeem.	205
Canadian Bank Stocks	**No. of Shs.**
Bank of Montreal	400
Bank of Nova Scotia	50
Bank of Toronto	100
Canadian Bank of Commerce	1,040
Dominion Bank	515
Imperial Bank of Canada	340
Royal Bank of Canada	570
Canadian Common Stocks	**No. of Shs.**
Abitibi Power & Paper	1,410
Aluminium Ltd.	470
Bathurst Power & Paper cl. A	500
Brazilian Traction Lt. & Pwr.	1,300
British American Oil Co.	700
B. C. Forest Products	4,750
Building Products Ltd.	1,240
Canada & Dominion Sugar Co.	400
Canada Wire & Cable class B	525
Canadian Bronze Co.	575
Canadian Celanese Ltd.	1,295
Canadian Pacific Railway	2,575
Con. Mining & Smelt. Co.	350
Con. Paper Corp.	1,000
Cosmos Imperial Mills Ltd.	1,730
Distillers Corporation-Seagrams	1,000
Dominion Bridge Co.	850
Dominion Foundries & Steel	850
Dominion Steel & Coal Corp. cl. B	600
Dominion Stores Ltd.	2,700
Famous Players Can. Corp.	1,150
Fraser Companies	800
Gatineau Power Co.	1,200
Goodyear Tire & Rubber	175
Home Oil Co.	1,250
Hudson Bay Mining & Smelt.	850
Imperial Oil, Ltd.	1,000
Imp. Tobacco Co. of Can.	1,750
Indust. Acceptance Corp.	150
International Metal Ind. cl. A	1,215
International Nickel Co. of Can.	1,650
International Utilities Corp.	1,400
Laura Secord Candy Shops, Ltd.	1,200
H. R. MacMillan Export Co. cl. B	1,075
Massey-Harris Co.	1,335
McColl-Frontenac Oil	1,400
Moore Corporation	245
Noranda Mines	600
Page-Hersey Tubes	845
Powell River Co.	650
Price Bros. & Co.	125
Russell Industries Ltd.	1,785
Shawinigan Water & Power	1,245
Shea's Winnipeg Brewery cl. B	800
Simpson's Ltd., cl. B	1,165
Howard Smith Paper Mills	825
Southam Co.	750
Standard Chemical Co.	2,575
Steel Co. of Canada	875
G. Tamblyn, Ltd.	710
Taylor, Pearson & Carson (Canada) Ltd.	1,000
H. Walker-Gooderham & Worts	935
Western Gypsum Products cl. B	350
George Weston Ltd.	720
Zeller's Limited	600
American Common Stocks	**No. of Shs.**
Allied Stores Inc.	550
Columbia Gas System, Inc.	1,400
Glidden Co.	600
Iowa-Illinois Gas & Electric	800
McGraw Electric Co.	200
Niagara Mohawk Power Co.	950

Silknit Sells Part Interest Australian Co.

Silknit Ltd. has sold about 29% of its holdings of common shares of its subsidiary, Australia Silknit Ltd., President M. H. Epstein announces.

The 121,000 outstanding ordinary £1 shares of the subsidiary (all owned by the parent company) were exchanged for five shilling shares on the basis of four new for one old share. Of the 484,000 new shares, 140,000 shares have been sold to the public in Australia and to various directors and employees of the Australian company. The net proceeds of about $160,000 have been invested in Commonwealth bonds.

Profits from Canadian operations will show a moderate decrease from last year's record figure, Mr. Epstein says. Through early 1950 consumer resistance cut volume and at the same time prices were lowered. Later months saw a reversal of demand and, although final figures are not yet available, it is reasonably certain final profits will be satisfactory, Mr. Epstein said.

Some 1951 lines are in the hands of salesmen and forward bookings are substantially higher than this time last year, he says.

The English and Australian companies are operating at levels and profits which are very satisfactory.

Consolidated net profit of Silknit Ltd. for the year ending Dec. 31, 1949 amounted to $695,135 of which $519,751 was from the Canadian companies. Earnings were equivalent to $10.22 a common share.

Sarnia Raises Rubber Prices

The Crown-owned Polymer Corp. at Sarnia has raised prices of its synthetic rubber in line with recently announced increases in the U. S. General purpose GR-S rubber moves up from 18.5c to 24.5c a lb. f.o.b. Sarnia, and butyl rises to 20.75c (had moved up from 18.5c to 20.35c in September).

With exception of September move in butyl, there had been no increase in Polymer's rubber prices since 1946. The company is currently operating at peak capacity — around 60,000 tons a year. It is hoped that by the middle of next year plant expansion will permit a boost in production of some 25%. Arrangement for additional feedstock supplies via Sun Oil Co.'s new pipeline will permit production boost. It is anticipated that with completion of Canadian Oil Cos. new Sarnia refinery in 1952, still more feedstock supplies could be made available to Polymer.

Floating Drydock For Montreal Area

MONTREAL (Staff) — Plans are being made by St. Lawrence Drydock Co. for its first floating drydock. To be built in Montreal, the new dock, states President Charles Ansell, is designed to extend the company's facilities here so that a bigger fleet of vessels needing winter repairs can be handled adequately. It will be near the company's present site on the Lachine Canal near Atwater Ave.

This, plus other winter construction jobs announced by Mr. Ansell, would, it is reported, provide work for over 200 men at a time when drydocking business was slow.

One of the biggest of the other jobs is reconversion of a former liquid carrier, the George S. Cleet, to a collier. Expected to be ready for service when navigation opens in the spring.

Reitman's (Can.) Outlook Seen Good

Profits of Reitman's (Canada) Ltd. for the first 10½ months of the current fiscal year (ending Jan. 31, 1951) are sufficiently good to indicate that the full year's results may equal or surpass those of last year when earnings applicable to the common stock amounted to $3.76 a share, Secretary-Treasurer Jack Reitman says.

Due to the progressive higher earnings recorded during the company's four years of operation as a public company and the consequent substantial improvement in its financial position, the initiation of common dividend payments has been considered fully warranted by directors. An initial quarterly dividend of 25c a share payable Feb. 1, 1951, to shareholders of record Jan. 15 has been declared.

Future quarterly dividend policy in relation to the $1 per share annual rate, presently indicated, will be subject to later review in the light of the ensuing business prospects which at the moment appear favorable, Mr. Reitman says.

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MONTREAL TORONTO WINNIPEG

CN System Net Up $37 Million

MONTREAL (Staff) — Operating revenues of the Canadian National System totaled $52,896,000 in November, up sharply from $44,560,000 in November, 1949. While operating expenses were higher at $43,618,000 ($39,067,000), net revenue rose to $9,278,000 ($5,493,000). Net revenue for the year to Nov. 30 totaled $54,533,000 against $16,945,000 same period 1949. This does not include taxes, equipment rentals, fixed charges, etc. Comparative figures:

NOVEMBER	1950 $	1949 $	Incr. $
Oper. rev.	52,896,000	44,560,000	8,336,000
Oper. exp.	43,618,000	39,067,000	4,551,000
Net rev.	9,278,000	5,493,000	3,785,000

11 MONTHS TO NOV. 30	1950 $	1949 $	Incr. $
Oper. rev.	503,648,000	455,453,000	48,195,000
Oper. exp.	449,115,000	438,508,000	10,607,000
Net rev.	54,533,000	16,945,000	37,588,000

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The Editorial Page

Everyone Will Have To Pay

If, as seems almost certain, income taxes are to be moved higher this coming year, there should be no misconception as to who will contribute the largest share.

It won't be just "the rich," for the simple reason that there are not enough rich left in this country to shoulder the load. The bulk of any extra taxes levied, will have to come from the rank and file of citizens of moderate income, because this group outnumbers "the rich" 50 to one and its members have a sizeable income left to tax after normal exemptions have been allowed. Of more importance, this middle group handles the great bulk of the money circulating in the country and invariably that is where the tax collector turns when he wants more revenue.

At present almost 60% of the total income taxes collected by Ottawa come from the 1.6 million citizens with annual incomes from $2,000 to $10,000. Those below the $2,000 mark (there are about 1.2 millions of them) contribute less than 14% and 32,000 who enjoy incomes of over $10,000 about 25% of the total.

The top "rich" — 1,050 persons who, in the 1948 tax year, had an income of over $50,000—accounted for only a little over 5% of the total collected. While the latter pay more in proportion to their income than the others, unfortunately there are not enough of them to make much difference in the load left for those of smaller incomes to carry.

Here is the official summary for the 1948 tax year, which is the latest for which such details are available:

Peacetime Taxation

Income Group	% of Total Income Reported	% of Total Tax Paid
Under $2,000	25.57	13.29
$2,000-$10,000	65.53	58.64
Over $10,000	8.9	28.07
	100.00	100.00

Higher rates of income tax, or lower exemptions or both — changes which may be expected as defense costs mount — would result in some shift in the proportions paid by the income groups in the first table. As during the last war more people of lesser means might be called upon as well as increased levies all along the line. This was the picture at the height of wartime taxation (1944 tax year):

Wartime Taxation

Income Group	% of Total Taxable Income	% of Total Income Tax Paid
Under $2,000	47.8	26.3
$2,000-$10,000	45.1	49.3
Over $10,000	7.1	24.4
	100	100

While the income figures in the two tables are not exactly the same the trend is clear enough. The big bulk of the tax money comes from the moderately well off, rather than the extremes of income, because the tax collector must go where the most money is.

Wanted—A Sensible Calendar

January 1 this year was a Sunday. Next year will begin on a Monday. Last year it was a Saturday and the year before it was a Thursday. Each year begins with a different day. So usually does each month.

The present calendar is changeable and irregular. It is a nuisance to the ordinary man and, more important, it makes difficulties in keeping business records and making comparisons.

How can one month's production be compared with another when the months begin on different days and have different lengths? Even if the months are of equal length, one may have four Sundays and the other five. Unequal months cause headaches in calculating wages and salaries, interest, insurance, rent, pensions.

Two reforms have been proposed.

One is a perpetual calendar in which every year would start on a Sunday and every month would begin with a Sunday. There would be 13 months, each of four weeks. Some businesses in Canada and the United States use this calendar now for record purposes.

The other proposal is to retain the system of 12 months but arrange the calendar so that quarters are equal with 91 days each. The first month in each quarter would have 31 days and the other two would have 30 each. Each month would have 26 week days.

From the standpoint of convenience either of these systems would be a big improvement over the present one. Calendar reform has been before the Congress of the U. S. and the United Nations. It missed a big opportunity in 1950, which started with a Sunday. It is not too early to start preparations for a change in 1956, which will be the next year that begins on a Sunday.

They Help Agriculture

Handsome tribute is paid to the hobby farmer by the Family Herald and Weekly Star. These city businessmen who spend their leisure hours farming have made a valuable contribution to livestock breeding, says this leading Canadian farm magazine, and they help materially in creating a better understanding between the regular farmer and the urban consumer.

Quoting from a recent speech of Gilbert MacMillan, president of the Dairy Farmers of Canada, and noted Ayrshire cattle breeder, the Family Herald cites the example of the late T. B. Macaulay, former president of Sun Life, with Holsteins, and the coal mine owner Claude Gallinger of Alberta with Shorthorns. The two breeds mentioned benefited greatly from the herds established by these city men and Mr. MacMillan could have listed scores of other outstanding examples.

And there are other ways by which hobby farmers have helped the communities in which their farms are situated, says the Family Herald, "In their efforts to farm on a high technical level and because they have nonfarm revenue behind them, they can experiment with improved farm techniques or with expensive and perhaps unproved machinery, thus setting a good example for their neighbors, if they are successful, or showing what should be avoided if they are not."

Design For Living

A revolution is taking place in the appearance of things that we use in the home, office, store and factory. That revolution is largely the work of industrial designers. It is something to be encouraged by business and industry.

A poet said, "A thing of beauty is a joy forever." It has taken a long time for some sections of industry to get that idea into their heads. But it is coming. Clocks are no longer like boxes, washing machines like ugly tubs, automobiles like old fashioned buggies.

The profession of industrial designing is a comparatively new one—about 25 years old. The U.S. Society of Industrial Design has only 100 members. Canada's National Industrial Design Committee was organized only a few years ago.

Yet great strides have been made in improvement of design, in raising the level of public taste. In fact, the problem of industry now is to meet the public demand for goods that are both utilitarian and beautiful.

Design entered the home through the back door, as Henry Dreyfuss says in an article in Harvard Business Review. The housewife has welcomed changes that removed the drabness from kitchen and laundry equipment. The trend has swept to other items. Simple but beautiful lamps and reflectors are replacing the old-fashioned, ornate floor lamps and chandeliers of a former day. Chairs, radios, typewriters have been streamlined and in some cases are made of new, easier-to-handle materials.

The National Industrial Design Committee is spearheading the drive for better designing in Canada. With the National Gallery of Canada, the Canadian Lumbermen's Association and the Aluminum Company of Canada it is sponsoring a contest to stimulate good design of manufactured objects for use in the home or garden. Prizes totalling $5,000 are offered in each of the classes for wood and aluminum products.

The importance of this type of thing can scarcely be overestimated. Good design benefits consumer and producer. For the consumer it means not only a more satisfying object to have around, but a utensil or machine that is more efficient. Good design will take into account safety and ease of operation and maintenance. For the producer it means more sales. When several articles have equally high performance, design will be the deciding factor with the customer.

Mr. Dreyfuss, a noted U.S. designer, is quite frank in stating that industrial designers are employed primarily to increase profits. Neither the small nor the large manufacturer should be without their services.

Would Make Good Canadians

Facing a serious shortage of labor the Canadian mining industry has suggested to Ottawa that workers be brought here from Germany. That suggestion deserves support and it's to be hoped that such a movement can be inaugurated speedily and in substantial numbers.

There are three very sound reasons for immigration from this source.

The type of people available in Germany will make excellent citizens. One only has to look around any community in Canada for proof of that.

Second: Western Germany, more than almost any other country in Europe, is desperately overcrowded, with millions of refugees from former eastern areas piled in on an already highly concentrated population. So long as this condition continues, with its accompanying unemployment and congested housing conditions, there is a fertile field for some new Hitler to take up the old Lebensraum cry.

Third: we have jobs waiting for these people, vital and necessary jobs for our national development, jobs that pay extremely well and which appeal to people who believe in the dignity and importance of work.

Some Progress Has Been Made

Pessimists who have been consigning the United Nations Organization to an untimely death by default had better take a second look. In spite of Moscow, 1950 has been a year of progress in the technique of international co-operation for peace.

U. N.'s Security Council inspired the world when it acted against aggression in Korea last summer. True enough, if the Russian delegate had been present, he would have vetoed the action. But the Assembly has taken measures to overcome this defect in the UN setup. At its recently concluded session, it adopted a resolution giving itself power to act should the Council be frustrated by veto. Under this provision, the Assembly can request member nations to provide armed forces against aggression if the Council is prevented from taking action. An emergency session can be called within 24 hours.

Of almost equal importance is the action of the "Assembly of Collective Security" in refining the definition of aggression. The motion calls on countries at war to state within 24 hours that they will be willing to cease fire if the enemy agrees. This points the finger at the side that is unwilling to make such declaration.

By such methods the UN is filling the role for which it was created. Outlaw nations may thwart its purpose temporarily. The goal of world peace may be in the far distant future. But every device designed to check aggression is a step toward that goal.

No Need To Work Hard?

Percy R. Bengough, president of the Trades and Labor Congress of Canada, has vigorously protested Ottawa's decision to carry out two well-merited economies in the Civil Service. The first of these is to release from the government payroll a certain number of employees of the old wartime prices board now largely wound up. The other is to lengthen hours of the Civil Service from 36½ weekly to 39.

Says Bengough: "There is no need for the lengthening at this time of the hours of work. We in the Congress will continue to press in collaboration with our affiliated organizations for further shortening of the work week."

That's irresponsible, unpatriotic twaddle — above all at a time when the nation is facing a shortage of manpower to carry out essential defense work. In effect it is a declaration of war against the nation's welfare.

Napier Moore's

Scratch Pad

BETWEEN NOW and New Year's Day something may happen to cheer us up a bit, but at the moment, as we contemplate the coming of 1951, we are depressed.

We have been looking at a list of Special Weeks to be celebrated in the United States, the source of which is given as the U. S. Department of Commerce.

It includes, between January and March:

Idaho Potato and Onion Week

National Peanut Week

Honey for Breakfast Week

In February there will be National Smile Week, working up to National Laugh Week in April.

Also scheduled for April is National Leave Us Alone Week. But nobody seems to have much hope in this regard beeause after it are listed:

National Pickle Week

National Bow Tie Week.

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OF ALL THE CHRISTMAS-experience stories related to us we like best that of the three-and-a-half year old boy who returned home from a children's party given by neighbors whose kiddies were a trifle older.

His mother, having gathered that a good time had been had by all, asked "And were you the youngest one there?"

"Oh, no, mummie," said the laddie, "there was another gentleman there in a baby carriage."

• • •

INDICATIVE OF BRITAIN'S paper shortage were some of the Christmas card envelopes received in Canada. Their outside appearance was that of any fresh envelope, but the insides revealed that they were made out of Army and Air Force war maps. One we saw was a large scale section of the French Mediterranean coast around the mouth of the Rhone. Another, a slice of Lithuania.

• • •

GILBERT E. JACKSON, formerly Professor of Economics at Toronto University, for some years adviser to the governors of the Bank of England, now economic consultant to a number of Canada's senior industrial and financial institutions, has an interesting piece in the December issue of Public Affairs, the quarterly published by Dalhousie University. Commenting on the research methods of past decades he says that the late Stephen Leacock once turned to him and asked, "Jackson, do you realize what Economics is?" When he confessed he didn't know, "that Ishmael among economists grinned the grin which of old endeared him to thousands of students in McGill and said, 'My dear chap, Economics is the Idiot Boy among the sciences.'"

• • •

ONE OF OUR SCOUTS reports hearing Hon. Milton F. Gregg, V.C., tell a story of the time when as O/C of the officers' training school at Brockville, he and certain colleagues were invited to visit some of the U. S. training establishments. In the Canadian party was a nineteen year-old captain, acting as adjutant, who came from a regiment which had not put on the patches and who sported his shiny pips.

Arriving in Washington, it seemed to the others that the lad received an uncommon amount of attention. The Brass spoke to him first. And he was, to his own amazement, invited to dine with one of the capital's top-drawer hosts. His Canadian seniors were baffled and he himself had an uneasy feeling that it must be a case of mistaken identity. The explanation came at dinner that night when the host, gazing at his captain's pips, said, "You know, you are a very young man to be a three star general."

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A SURVEY MADE by the Ontario branch of the National Association of Master Plumbers showed that the average age of journeymen employed by member firms is 59 years. Our informant is Sanitary Engineer, Plumber and Steamfitter, which adds that Ontario Government records show that not a single apprentice has graduated as a journeyman in that province during the past two years. Moreover, the same source indicates that the average apprentice who enters this trade only serves two years of his five-year term and chucks the whole thing up.

This seems to us to be a serious situation. No nation is better than its plumbing.

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This being Happy New Year Week, the same to you.

Stop Me If —

A man rushed up to the bookmaker and placed a $5 bill on a 20-to-1 shot. The horse won and the bookie gave the bettor $105 in $5 bills. The man examined every bill carefully which made the bookmaker angry.

"What's the matter, mister? Afraid of counterfeits?"

"No, not at all. I just wanted to make sure the one I gave you wasn't here."

• • •

The young bride is looking into the window of a jewelry store.

"George," she says, "I'd love to have that bracelet."

"I can't afford it for you, my dear," says George.

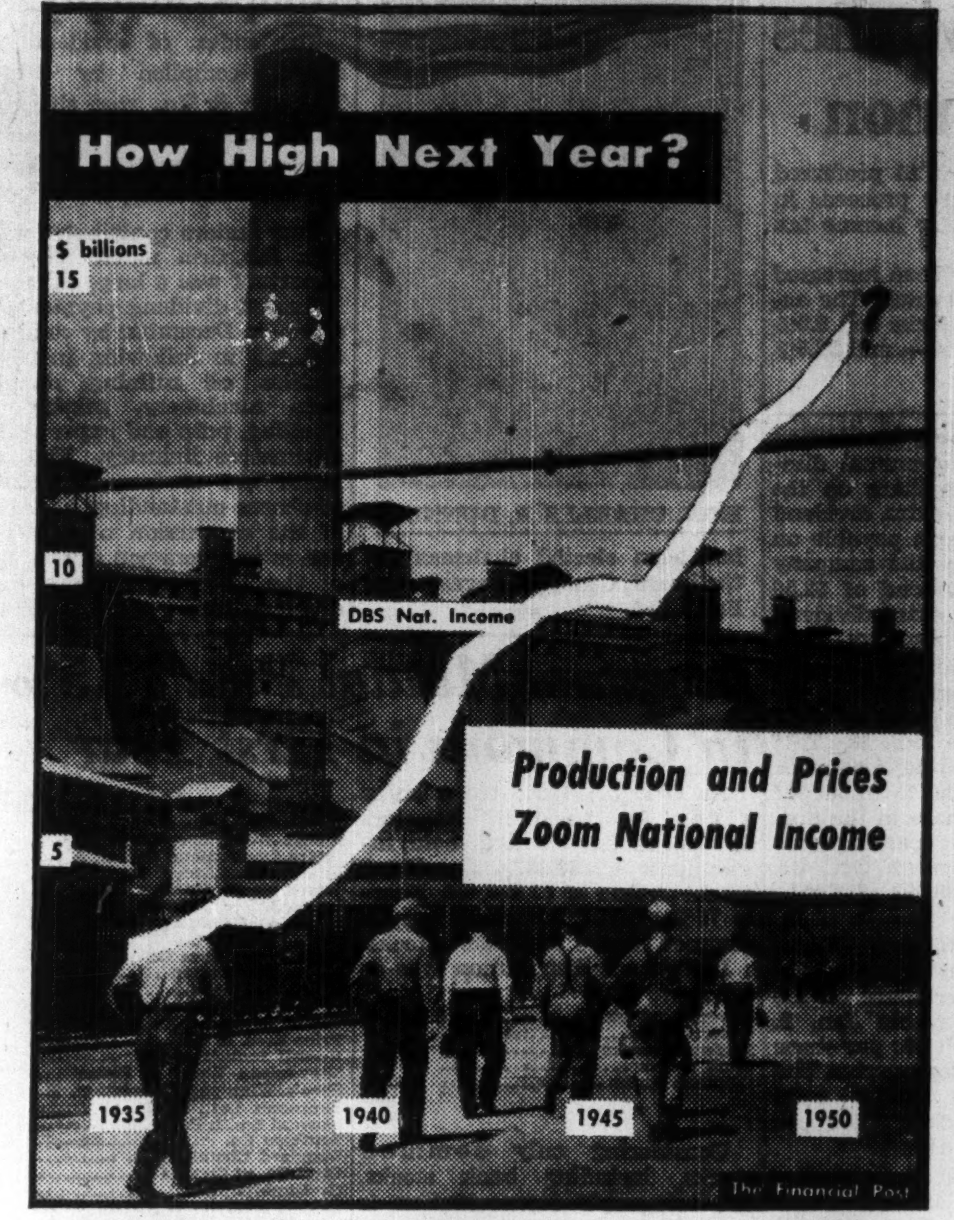
"But if you could you would, wouldn't you?"

"No," says diplomatic George.

"Why?" says she, surprised and angry.

"It isn't good enough, dear."

"Oh, you darling darling."



Post Scripts

New Hayes Head

Joseph Wilfred Primeau who began his business career as a time clerk is new president and general manager of Hayes Steel Products Ltd., with the head office at Merritton, and branches at Thorold South and Red Lake. Primeau succeeds Charles A. Dana, Toledo O., who is now chairman of the Hayes board.

MR. PRIMEAU

Appointment to the presidency of the busy, well-established Hayes organization highlights 30 years of service with the company. Born near Chatham where he attended school, Primeau, at 17, joined the firm. The company, known then as Hayes Wheel and Forgings Ltd., had its head office at Chatham.

Primeau advanced through various office positions, and in 1932 when the Chatham plant was closed and the company's Merritton branch became the head office, he was named secretary-treasurer, locating at Merritton. Eleven years later, in 1943, with Hayes more than tripled in personnel and manufacturing size, Primeau was appointed vice-president and general manager.

With approximately 1,200 employees engaged at the Merritton and Thorold works, Primeau heads a leading Niagara district industry. Hayes and predecessor firms have their roots deep in Canada's industrial economy, dating back almost a century, first in the carriage and wagon wheel manufacture, and later in the automobile wheel building.

Primeau is also president of O. & W. McVean Ltd., Dresden, a subsidiary wood-working shop engaged in agricultural implements and sporting goods, and president of B-W-H Service Parts Limited, of Merritton, a subsidiary, wholesalers of automotive service parts. He is a director of Kelsey Wheel Co. Ltd., Windsor.

A member of the Society of Automotive Engineers, the new Hayes president is active in industrial and community groups. Among the latter he is a member of the advisory board of the newly organized Hotel Dieu Hospital in St. Catharines.

Primeau is married and is the father of one daughter and two sons.

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In Key Job

Promotion of Mitchell W. Sharp from the Department of Finance to assistant deputy minister in Department of Trade and Commerce fills an important gap in Mr. Howe's organization.

Sharp will head three divisions: economics and research; wheat and grain; international trade. As well, he'll be charged with laying the groundwork for possible future moves in the field of price control and rationing. (If Canada goes on an all-out war footing, it's most likely that civilian controls will be divorced from war production and that the former will be under a separate ministry).

Mitchell Sharp's parents emigrated to Winnipeg from Scotland in 1910—the year before he was born. His father Thomas Sharp ran a small printing plant in Winnipeg and edited a weekly suburban paper.

At 14, young Sharp left school to work as a messenger boy in the grain trade press. The firm shared offices with the Sanford Evans organization. In a few years, Sharp went to work for Sanford Evans. By night he studied for his matriculation; took two years extra mural university work in mathematics and economics at the University of Manitoba. His boss let him keep his job while he finished the last two years. He went to lectures in the morning; worked afternoon and evening. Sharp graduated in 1934; took a year's postgraduate work in history and economics.

In 1937, he joined James Richardson and Sons as economist. The firm put him on the payroll but sent him at once to take a year's course in the London School of Economics. He returned to Winnipeg, married and stayed with Richardson's until January, 1942, when Dr. W. C. Clark asked him to join the Department of Finance in Ottawa.

Since then his duties have included liaison between WPTB and the Minister of Finance during the war years; chairmanship of inter-departmental committees on food, agriculture, housing and social security. He has been a Canadian delegate to FAO, UNRRA, ICAO; chaired the subcommittee on finance and economic policy in discussions leading to union with Newfoundland. He was adviser to the joint committee of the senate and house of commons on financial aspects of old age pensions.

Sharp's relaxations include: the violin, the piano, cigars and more night classes. He and his wife have built a ping-pong table at Ottawa's new Fisher Park high school.

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Covers Big Territory

Manitoba, the only Canadian province which organized a Chamber of Mines (back in 1928) before it had an operating mine, has the further distinction this year in that its Chamber of Mines has elected a nonmining man as president.

MR. OSTERLAND

That president is C. D. Osterland, district manager for Manitoba of the Canadian General Electric Company. Osterland was born of farm parents in Minnesota at the turn of the century. While still a bit uncertain on his infant feet he joined his family in the 1901-08 trek from the great American plains to the free homesteads and cheap farm lands of western Canada, settling at Ponoka, Alberta.

There he attended public and high school. Later he took up electrical engineering. In those days, electrical engineers went east, not west, He wound up that summer in the employ of Canadian General Electric. He took the company's celebrated electrical "Test" course at Peterborough, Ont., where he learned all about the full line of industrial products turned out by his industry—and the more difficult art of selling them.

He was given the routine training taken by all prospective salesmen and returned five years later to Peterborough with Switchgear Engineering. There he was one of 1,000 engineers employed by the company.

In 1945 he joined the Winnipeg staff and, except for service with Genelco on gun production in the midwar years, has been here ever since. He became district manager in 1947 on the death of W. J. Taylor.

His job as president of the Manitoba Chamber of Mines will be just another bit of public service, this time linked with men who buy products sold by his company. He and his Chamber executives will give intensive study as to how they can best serve the Manitoba mining community which, by the way, extends loosely from Geraldton, Ont., northeast of Port Arthur, to Leduc, Alta., and from the U. S. border to the North Pole.

"Some territory, some great and promising mines," Osterland comments. "If we of the Chamber of Mines can maintain sound customer relations between these mines and Winnipeg industry, we shall not consider our work in vain. They need what we can supply. They will tell us their needs and the entire business community of this province will help them get action from governments when such action is called for—good roads and other means of contact."

What Others Are Saying

Editorial of the Week

Are We Doing Enough?

Winnipeg Free Press

President Truman's grave appraisal of the world situation, his enunciation of United States economic policies deemed appropriate to the emergency, provide a background against which Canadians will be well advised to re-examine the current contribution of this country to the defense of the free world.

On the side of domestic economic policy, it will be seen at once that the Canadian Government has taken a strong lead; that in fact virtually everything which the President is now urging Congress to do has already been done in this country.

Mr. Truman's first objective is a balanced budget. By contrast the Canadian budget has never been out of balance since the war.

As regards Mr. Truman's second point, the necessity of economy in non-military expenditures, the Canadian Government has not only declared the importance of economy but has also pressed it strongly on the provincial governments at the recent Federal-provincial conference on taxation. The program is excellent; what remains uncertain, pending the 1951 estimates, is the degree of implementation.

In a matter of restrictions on credit, the President's third point, it is to be observed that the Canadian Government has not only carried into effect all measures now proposed in the United States but also has moved somewhat farther.

One demand made by Mr. Truman has until now found no counterpart in Canadian policy. This relates to direct controls. In his speech the President very specifically linked price and wage controls. Not only are they in practice inseparable, as Mr. Truman concedes; he is in fact proceeding under a law which makes mandatory their joint imposition. Yet direct controls, as appears plainly from the speech, are considered of secondary importance; they are fringe measures which do not strike at the heart of the problem of inflation. The fact that Canada, as the Federal Government has repeatedly pointed out, has no need of direct price controls at the present time is a direct result of the application of these other fiscal measures which do go to the heart of the problem. The danger in such controls is that they obscure the need of these other measures. It is a danger which fortunately has been evaded in this country.

These economic comparisons provide legitimate ground for satisfaction on the achievement of this country.

Other People's Views

FOR WHAT WE RECEIVE in social services we pay for, reminds the **St. John's Telegram** and it adds: "The question is how much heavier taxation the community can stand, even to implement such worthy causes as old age pensions."

STOPGAP ONLY is the plan for subsidized airlift of British immigrants, says the **Regina Leader-Post.** "As far as it goes in encouraging greater immigration of the selective type to Canada, the plan will be welcomed. But it cannot be accepted as anything else than a stopgap to maintain a trickle of migration until a more effective program has been put into effect."

PIOUS WISH, the **Winnipeg Free Press** calls the exhortation of Manitoba's agriculture minister to produce more livestock. "As long as he supports the Federal Government's freight subsidy on feed grain shipments out of the prairie provinces, he can offer Manitoba farmer nothing but such exhortations.

By discriminating in favor of eastern livestock production at the expense of production in the prairie provinces, the subsidy is the main deterrent to increased western diversification. If Mr. Bell wants farmers to have a real incentive for diversification he should work for the abolition of the subsidy, not give it his acquiescence as he did at the recent federal-provincial agricultural conference."

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Dec. 30, 1950

How Businessmen See Canada's Prospects for 1951

(Continued from page 3)

Following the usual seasonal pattern, new residential construction will decline early in the new year, but should be replaced by construction for defense needs.

If events demand that the country convert to a 100% war footing, the needs of industry for new construction and extensions will rise sharply and this, through priorities and other regulations, will influence residential construction downwards.

Indications point to some price increases in 1951. These will be occasioned by higher manufacturing costs contingent upon wage increases and raw material costs.

• • •

V. A. Cooney

Executive Secretary, Domestic Coal Operators Assoc. of Western Canada.

Apprehension over Communist aims will gain momentum with increasing emphasis on preparedness. This country's responsibilities in international politics will grow greater with consequent heavier demands on Canadians. Taxation will increase; there may be some freezing of wages, prices and labor supply for essential industry. These factors will tend to check the inflationary spiral. Labor relations should improve as working Canada settles down to do the job at hand.

Canadians, in thinking more and more about future industrialization and preparedness, are being brought to greater understanding of the part which will be played by energy-creating resources. The economic and security importance of a healthy coal industry is becoming more widely appreciated as more people realize that coal is the backbone of Canada's energy supply, and that we are still dependent on imported coal for half of our annual needs.

It is anticipated that the growing wave of public and governmental interest in western coal will gain impetus throughout 1951 with greater research effort into both the technical and marketing aspects.

• • •

F. S. Corrigan

Chairman, General Steel Wares Ltd.

The very essential rearmament program for 1951 is bound to require sacrifice by citizens of both Canada and the United States. This inevitable result of channeling a large measure of raw materials and manpower into the production of war materials will be more willingly accepted if the measure of sacrifice is shared equitably by the citizens of both democracies.

Canada produces such critical materials as nickel, copper, zinc and aluminum, and has already found it necessary to sharply restrict the allotment of such materials to Canadian secondary manufacturers, in order that U. S. customers may receive an equitable share of the available supply. I regret to say that it does not appear that this altruistic attitude is being reciprocated by U. S. producers of critical materials. This is particularly apparent in the case of steel sheets, for which Canada has always had to look to the U. S. A. to supplement her inadequate domestic supply.

It seems to me that, in the interests of maintaining full employment and the general welfare of the Canadian economy, Canada must see to it that her supply of such scarce materials as nickel, copper, zinc and aluminum to other countries for civilian uses is contingent upon their supplying Canadian manufacturers with an equitable share of scarce materials and supplies under their control.

• • •

H. Crabtree

Chairman and President, Woods Manufacturing Co.

Present indications are that 1951 will be a year of high activity in so far as the demand for our products is concerned, but the level of output may be somewhat restricted due to lack of materials, and which (in the event of war) may become very acute.

The greatly reduced cotton crop this year, and the heavy demand for cotton goods, have resulted in a cotton shortage, which has been reflected in very high cotton prices, for which there would appear to be no relief until the new 1951 crop is available.

The burlap situation has for some time been a very disturbing factor in our business, a matter of great concern to the bag industry. Not only is supply very limited, but prices are very high for the available supply. This has had the effect of consumers switching from burlap to paper, but the supply of paper is now also limited to a point where it cannot meet the demand of the industry.

It may therefore be summed up by saying: "That providing the industry gets adequate supplies of materials 1951 gives promise of being a busy year."

• • •

R. H. Davis

President, Atlas Steels Ltd.

The immediate future of Canadian business is one of full employment and increasing prosperity. It is also one beset with such difficulties as we never before have experienced.

In steel we are facing short supplies of nickel, tungsten, cobalt and other alloys as well as steel scrap. The cost of living, labor rates and the cost of supplies used in the manufacture of steel are continually changing, which makes it most difficult to know and measure manufacturing efficiency and the economy of production. All of these factors have made it necessary to raise prices and the conditions mentioned are so fluid as to make it almost impossible to settle and maintain fixed prices.

We can see a year of intense activity with great shortages of steel. Our own output at Atlas will be confined to tool specialty and other high grade steels. These will be produced in proportion to the availability of supplies.

It is believed that most manufacturers are experiencing conditions more difficult than at any time in our history. But this very situation is a challenge to us and we have both the will and the ability to solve these common difficulties.

All of us are fortunate to be living in Canada where the future offers unlimited possibilities. Canada, as a nation, will continue to progress. The panorama of prosperity which is ahead for the country will continue to unravel.

The year 1951 will be one of prosperity for Canada and in the

C. GORDON SMITH

vice-president, Selburn Oil Co., has been elected a director, Monarch Life Assurance Co., Winnipeg.

years after this level of prosperity will increase.

• • •

F. R. Deakins

President, RCA Victor Co.

The probable trend in 1951 from all indications is that civilian production in many lines will be below that of 1950. This situation will be brought about by scarcity of basic materials due to defense requirements. The radio and television industry is heavily dependent upon the materials that are now in short supply, namely nickel, cobalt, copper and steel.

With the inherent higher costs that come with reduced and interrupted production schedules and higher material costs, there will undoubtedly be some price adjustments. It is to be hoped that these adjustments can be orderly and reasonable.

The major problems to be faced during the coming year, in addition to material supplies, are those pertaining to the necessary switch to defense work and at the same time maintaining present employment of men and facilities.

• • •

W. N. Deisher

Vice-President and General Manager, A. V. Roe Canada.

One of our major problems is the shortage of skilled labor in Canada, and much can be done to strengthen our defenses, our present prosperity, and to aid our future development by fostering immigration.

The great need is for people who can assist our industrial development. Canadians have the "know-how" and physical resources to compete with industrial nations anywhere, but Canada is short on two things — a large labor force and an assured mass market for her products. We must realize that the larger our working force, the more able we are to handle the diversion to defense production that is currently and increasingly required.

By adding more to the working force than to the groups requiring social benefits, immigration will reduce the per capita cost of government, and will furnish a larger population to carry the fixed overhead for government services.

• • •

R. J. Dinning

President, Burns and Co.

With so many determining factors obscured by the uncertainties of the near future, any forecast of business trends at this time must be accepted with reservations.

In 1951 production will be high and labor will continue to be gainfully employed. Severe frost damage to crops in many areas in Western Canada will curtail purchasing power and a shortage of agricultural labor may minimize any marked increase in grain and livestock production.

On the prairies, oil and gas exploration and development will advance rapidly and, should additional market outlets be created, the industry will experience rapid expansion.

The coal mining industry will suffer at least temporarily from competitive fuels though some of the larger mines have already contracted for their 1951 output. The intensifying of research work and the introduction of improved processes will ultimately do much to rehabilitate this industry.

With these conditions prevailing and with industry at a high peak, Canadians can look forward to 1951 with courage and confidence.

• • •

V. M. Drury

President, Canadian Car and Foundry Company, Ltd.

The railway rolling stock industry in Canada operated at capacity during the greater part of 1950; with the domestic market absorbing virtually all the output, and export markets remaining little more than a hope due to currency complications.

In the earlier part of the year, the industry was busy cleaning up the backlog of orders from 1949. In September and November the Canadian Pacific Railway Company and the Canadian National Railways placed substantial orders for equipment, including box cars, gondolas, hopper, refrigerator, automobile, flat cars and passenger equipment. Those orders, for 1951 delivery, were among the largest enjoyed by the railway rolling stock industry in recent years. They assure capacity operation of plants during 1951, providing the necessary steel can be obtained. The present outlook for the supply of steel is not very bright.

The requirement for new rolling stock has made itself felt through the increase in population; higher purchasing power; greater volume of goods in transit; above all, Canada's record exports to the United States, and holds out the justified anticipation of good business in railway rolling stock well into 1952, subject to obtaining the necessary materials.

In the final analysis, however, the deteriorating international situation governed 1950 conditions in the industry. By midsummer it was clear that normal peacetime conditions were receding. Ahead were steel allocations and shortages as Canada, like other democracies, was forced into semi-mobilization, aid to allies overseas, and active participation in United Nations expeditions. In those circumstances, the railroads accelerated their postwar rolling stock rehabilitation program which had been in progress since 1946. The result was the fall upsurge in orders for delivery in 1951.

Net consequence of the year's experience was that export markets were relegated to the background but only temporarily, it is hoped. Canadian rolling stock manufacturers maintained their contacts in an effort to penetrate once more fertile fields closed by currency restrictions. Prospects did not improve much. Moreover, international discussions of freeing trade seemed, generally, to centre upon little more than lofty aims and good intentions.

The transit rolling stock industry had an excellent year.

Trackless trolley coaches continued in healthy demand, as mass transportation in Canada's larger centres called more and more for sizeable vehicles able to load and unload at the curb. The market for this type of transport appeared almost limitless.

Gas buses, urban and interurban, continued to command reasonable attention. The field for these vehicles in postwar Canada broadened due largely to housing problems which forced impressive numbers of Canadians into the commuter class. Continued abundance of purchasing power all over the country, too, maintained the increased interurban travel which has been a feature of Canadian transportation since the war ended.

• • •

Homer Dufresne

President, Shoe Manufacturers' Association of Canada.

Should there be, as a result of world developments, serious demands for military shoes in Canada, the Canadian shoe industry is well equipped and organized to supply them without endangering civilian supplies. This is not the kind of business the industry seeks, but its representatives have already offered their full co-operation to the Government.

The price situation will be governed by the Government's decision regarding price controls. If no controls are applied, either to prices of materials or wages, then there will be an inevitable increase in the retail price of shoes next spring. Such an increase would probably be an average of 10%, due entirely to the increased costs of manufacturing and distributing footwear.

Should price controls be applied, shoe production in Canada will increase since full employment, together with stabilized prices, will ensure an increased demand. Ability to meet this demand depends on the controls being applied to the materials and labor entering into the manufacture of footwear and not merely to the end product.

• • •

J. J. Fitzgibbons

President, Famous Players Corp.

Famous Players Canadian Corporation Ltd. operates theatres in practically every size and type of community in Canada.

During the war years motion pictures were a convenient and desirable form of entertainment to the greatest number of people seeking comfort and a place to escape their everyday problems.

During the postwar years we built new theatres where they were required and desirable and we reconditioned and re-equipped theatres built prior to the war with new seating, carpets, decorations, air conditioning and sound and projection equipment.

Motion picture producers now more than ever have a full appreciation of the fact that the high cost of living, inflation and taxes, together with television, have made the purchasers of theatre tickets more selective. The pictures completed which we have already screened and the announced schedules of production for 1951, with the government's announcement of large expenditures in defense programs, plus the unusual industrial expansion Canada is experiencing, give us every reason to believe that 1951 will be as good a year or better than 1950 in our industry in Canada.

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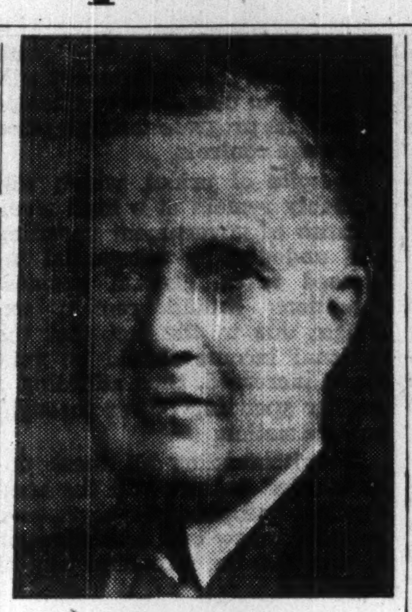
Jacques Forget

Chairman, Montreal Stock Exchange.

The stock market has demonstrated its ability in the past months to withstand adverse news. There have been quick setbacks in prices but these have been of short duration as steady



HUGH D. SCULLY

has been elected a director, International Business Machines Co. He is Canadian adviser to the Federation of British Industries.

recovery has usually set in almost immediately.

All signs point to inflationary tendencies continuing. Holdings of common stocks in companies in the base metal, newsprint and timber fields offer a hedge against such inflation.

Although taxes will unquestionably mount, many sound industrial companies should show earnings for the coming year at least comparable to those for the past one.

There is a large amount of latent purchasing power awaiting opportunity for investment in common stocks.

Movement in stock prices will be affected from time to time by adverse or favorable news from the world's capitals and the United Nations headquarters.

Signs point to a continuance of the rising tendency in the market. Holders of stocks would be well advised to keep posted on world currency and trade affairs."

• • •

L. A. Forsyth

President, Dominion Steel and Coal Corp.

I look forward to 1951 as a year in which the present tempo of industrial activity will be accelerated rather than diminished.

All other considerations aside, the impact upon our economy of vastly increased production of oil, continually expanding development of mineral resources, the undoubted advance of technical industrial skills and last, but not least, an increase of almost 25% in our population within the last decade cannot help but make itself felt in an augmented demand for the products of industry and for facilities to supply those products.

No forecast for 1951 can overlook the actual state of international affairs and the conflict of interests and ideologies which creates that situation.

The inability of experts in the field of international affairs to foretell what the eventual outcome will be and how long we shall have to wait for the denouement is not calculated to relieve our apprehension.

This is, I think, true—that wars and rumors of wars have always stimulated industrial and commercial activity. Perhaps this stimulation does not invariably conduce to a healthy economy in the final analysis; because it usually has a pronounced inflationary effect.

Recent developments indicate that the price levels of today are already under considerable pressure and higher prices generally will undoubtedly obtain in 1951.

The apprehension of rising prices, short supply of certain products both at home and in the markets which normally serve us, coupled with the diversion from civilian consumption of raw materials and products required for defense, will call no doubt for the imposition of some form of regulation by government of our trading either as manufacturers and merchants or as individuals, unless we are prepared to impose voluntary restraints to meet the circumstances.

I appraise 1951 as a year in which demand will outrun supply, and consequently as a year in which further industrial expansion within the limits of available installations will be the rule in Canada.

• • •

M. S. Fotheringham

President, General Manager, Steep Rock Iron Mines Ltd.

Canadian industry will be obliged to meet and overcome a diversity of serious problems in 1951. The steady industrial growth from which this country has benefited in the postwar years must be greatly accelerated to guard our domestic freedoms. Labor, industry and governments must work together as a well-coordinated and purposeful team, each making substantial personal sacrifices to preserve our national economy. Otherwise we shall be imperilled from within as well as from without this country.

The imminent and large-scale

(Continued on page 8)

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1. Competitive Position

Nova Scotia is not only the most populous and industrially the most diversified of the four Atlantic Provinces; but it is the natural manufacturing and distributing base for this area. Industries operating here have first access to this $600,000,000 market and, in addition, enjoy reduced freights to outside markets.

2. Ideal Export Location

The Province, through Halifax and other year 'round ports, is nearest to the world's leading overseas markets. Ocean liners and merchant ships from many nations make regular calls at Halifax.

3. Transportation Centre

Nova Scotia is well served by Canada's two national railway networks. Halifax is the eastern terminus for the Canadian National Railways. National and international trucking services operate regularly over an excellent highway system. The industrialist, therefore, can combine rail, sea and road shipping facilities for maximum economy.

4. Vital Resources

Low-cost tidewater plant sites . . . Ample supplies of lumber, coal, steel and basic minerals . . . Modern power developments . . . Favourable climate . . . Increasing purchasing power . . . A stable labour force. All these provide industry with the proper atmosphere for successful operation.

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DEPARTMENT OF TRADE AND INDUSTRY

101 Province Building, Halifax, Nova Scotia.

Hon. W. T. Dauphinee, *Minister* Dr. R. D. Howland, *Deputy Minister*

Businessmen Look at 1951

(Continued from page 7)

development of Canadian iron-ore production at Steep Rock, Michipicoten, Labrador and elsewhere will encourage necessary expansion of heavy industry in Canada. These same ore sources will also be major factors in sustaining world leadership of the United States in steel production—leadership which is vital to hemispheric defense. For these reasons government institutions should encourage—indeed insist upon—the fullest development of these vast natural resources, and this at the earliest possible date.

* * *

L. J-B. Forbes

Vice-president and General Manager, Pilkington Brothers (Canada) Ltd.

When world affairs are in such a state of flux as they are at present prophecy is a very dangerous thing but unless a third World War is precipitated there is every reason to believe that the prosperous conditions in Canada will continue and probably even better themselves during the coming 12 months.

Canada's activities are now almost entirely conditioned by its population and unless there is a considerable increase in the number of immigrants who are persuaded or permitted to come into the country many business efforts will be severely restricted, if indeed they succeed in developing beyond the preliminary stages. With an insistent demand for labor in concerns engaged on rearmament programs and where the attraction of high wages exists, ordinary business concerns are finding themselves competing for the existing labor —a far from satisfactory state of affairs. It is a well known saying that it is impossible to stand still and this applies with the greatest of emphasis to Canada's population. There should be at least half a million increase per annum for the next 20 years. There are plenty of vacant spaces, there is any amount of possible development and with this increase of population Canada's position as a world power will be assured.

This increase of activity cannot be regarded a danger to Canada's world trading position. The field is so wide and the possibilities so great that Canada's trade, both with the United Kingdom and with the United States, will increase rather than diminish. It is to be hoped that an immigration policy more closely integrated to business development, to the development of natural resources and to the expansion of the Canadian economy in general will be the government's policy during 1951.

J. ELMER WOODS

has been elected president, Monarch Life Assurance Co., Winnipeg.

C. Sydney Frost

General Manager, Bank of Nova Scotia.

The coming year should be one of great activity, for in addition to the strong factors of growth apparent for some time in this country there are the needs of much increased defense preparations which must be met. However, it is not likely to be a happy and prosperous new year in any normal sense. We must recognize the fact that action to build up the military strength of the western world has to be paid for, either by depreciation in the value of money through inflation or, much better, by deliberate restraint of civilian spending through higher taxes, credit controls, a restraining monetary policy, government economy, re-examination of capital programs, and more saving.

We are also likely to be up against continuing shortages of a number of basic materials, shortages which will necessitate controls over the use of some of the commodities concerned. We have an inflationary environment to contend with, and it is to be hoped that we shall face it squarely and take the steps needed to restrain the high rate of civilian demand. These comments are based on the assumption that there will be no world war.

* * *

L. G. Gillett

General Manager, Bank of Toronto.

No forecast of the 12 months to come can attempt to predict accurately the events that lie ahead nor appraise the effect of these events on all phases of the Canadian economy. At the same time, it can be said that it seems likely that Canada as a whole will see another year of near record production and high levels of income. That is not the same as saying that profits will be as large as 1950 or that everyone will enjoy prosperous times.

The ever-mounting needs of defense will likely bring higher taxation, increased costs of doing business, and some readjustments of a major character that may produce shortages in many vital industrial materials. The next year will not be an easy year for many companies, but Canadians with their present world position, their vast and ever-developing natural resources, and their constantly growing industrial plants, can look forward with less apprehension than perhaps any other country in the world.

* * *

Crawford Gordon, Jr.

President, English Electric Co., Canada.

The picture changes so rapidly that prophecy, always risky, becomes almost impossible. Our volume of orders indicates another capacity year. At the same time we are faced with the difficulty of obtaining some materials and dislocation of production lines due to heavier defense requirements. Under these conditions and barring imposition of controls, the price level in heavy manufacturing can only go up.

In North America we have not yet had to go through the drastic process of "belt tightening" which many parts of the world have suffered. It does not seem likely that we can continue to be immune indefinitely. Though our manifest duty is to be prepared to fight if we must, the fervent hope of all sane people is that peace may be maintained by the give and take of negotiation.

* * *

A. Gould

President, Acme Glove Works.

The year that lies ahead of us appears to be one that will be most unusual. I am sure that the imponderables that await us will cause us a great deal of worry and anxiety.

Normal business judgment will become more difficult and the problems will not be the type that fall into the ordinary province of business operation.

The vast re-armament program which has been brought about by the menace of Communism, will make conditions increasingly difficult for us in the ensuing year.

We are faced with an inflationary spiral and it appears quite evident that the Government will be forced to take steps to attempt to curb its progress through price and wage controls.

In spite of prices, which will probably remain at a high level, because of government spending and undoubtedly substantial increased taxes, general business conditions should remain excellent due to the fact that the national income should be very much increased, thus affording a greater spending power throughout the nation.

Notwithstanding all these uncertainties, we are still the most fortunate people of the earth, and, as such, renew our determination to continue the Canadian way of life.

* * *

Valmore Gratton

President, Industrial Commissioners Ass'n of the Province of Quebec.

Judging from present indications, the trend of business activity for the coming year will be maintained at the prevailing high level under the stimulation of defense requirements. Already, the economic machinery is being geared to cope with the increasing demand for military weapons and equipment. Curtailment of civilian production is expected.

During the diversion process, however, delivery of most needed supplies might lag behind. In fact, the major problems arising out of a quickly changing situation are the disturbing rising prices combined with the scarcity of essential basic materials and shortages of plant floor space.

* * *

Quintin J. Gwyn

President, Canadian Exporters Association.

Prospects for world trade revival in 1951 were bright until the war clouds loomed so ominously. Now much of our business thinking and our export programming for the future will need to be tempered by defense requirements for critical commodities and perhaps priorities and controls over labor and material.

If nations can settle their differences amicably, and we are fortunate enough to escape war, the following factors will enhance Canada's export trade picture:

(1) The United States' Government has experienced a partial reversal of their trade thinking to the point that they are willing to buy as well as to sell.

(2) The successful negotiations concluded by our Government with the British West Indies known as B.W.I. Liberalization Plan.

(3) The increase in the token shipment plan to the United Kingdom and the signing of most-favored nation agreements with Venezuela, Ecuador and Costa Rica.

I feel that our Department of Trade and Commerce should be congratulated on the success of their efforts. The Minister and his senior officers have actively and successfully espoused the cause of Canada's trade abroad. I urge our manufacturers whose goods are competitive in foreign markets not to neglect these hard-won foreign customers. The temtation is to jettison our exports when it is easy to sell our capacity output to domestic buyers. Also, exchange of goods between nations is a powerful force for peace.

* * *

Donald Gordon

Chairman and President, Canadian National Railways

The year just closing has been one of almost constant tension in world affairs, and 1951 bids fair to be a year of continuing anxiety. We cannot afford to relax in the hope that conditions will improve. While we hope for the best and work for it through such organizations as the United Nations, we must prepare for the worst.

The Canadian economy, like that of other countries in the western world, is being geared to the defense program. As some types of controls are revived and we hear warnings of the need for increased taxation, the Canadian people are realizing that we are moving into something like an emergency atmosphere. Our defense preparations cannot be paid for out of ordinary income. Extraordinary provision must be made for extraordinary expenditure. Heavy contributions will be demanded of all of us, and these contributions the Canadian people should make gladly, knowing, as they have always known, that no price is too great to pay for freedom.

Whether the world will continue to exist in the armed truce called the "cold war," or is forced into the third world war, it is vital to the interests of Canada, and of the United Nations, that our railways be healthy. We should be able to meet our labor and material costs in day by day operations, and pay our fixed charges, and have enough left over to maintain, renew and improve our property so that our efficiency is not impaired.

Railways are the backbone of national strength, for no other form of transportation can provide the means for the mass movement of people and goods. The Canadian National management, therefore, has been exerting and, within the scope of available materials, supplies and

(Continued on page 9)

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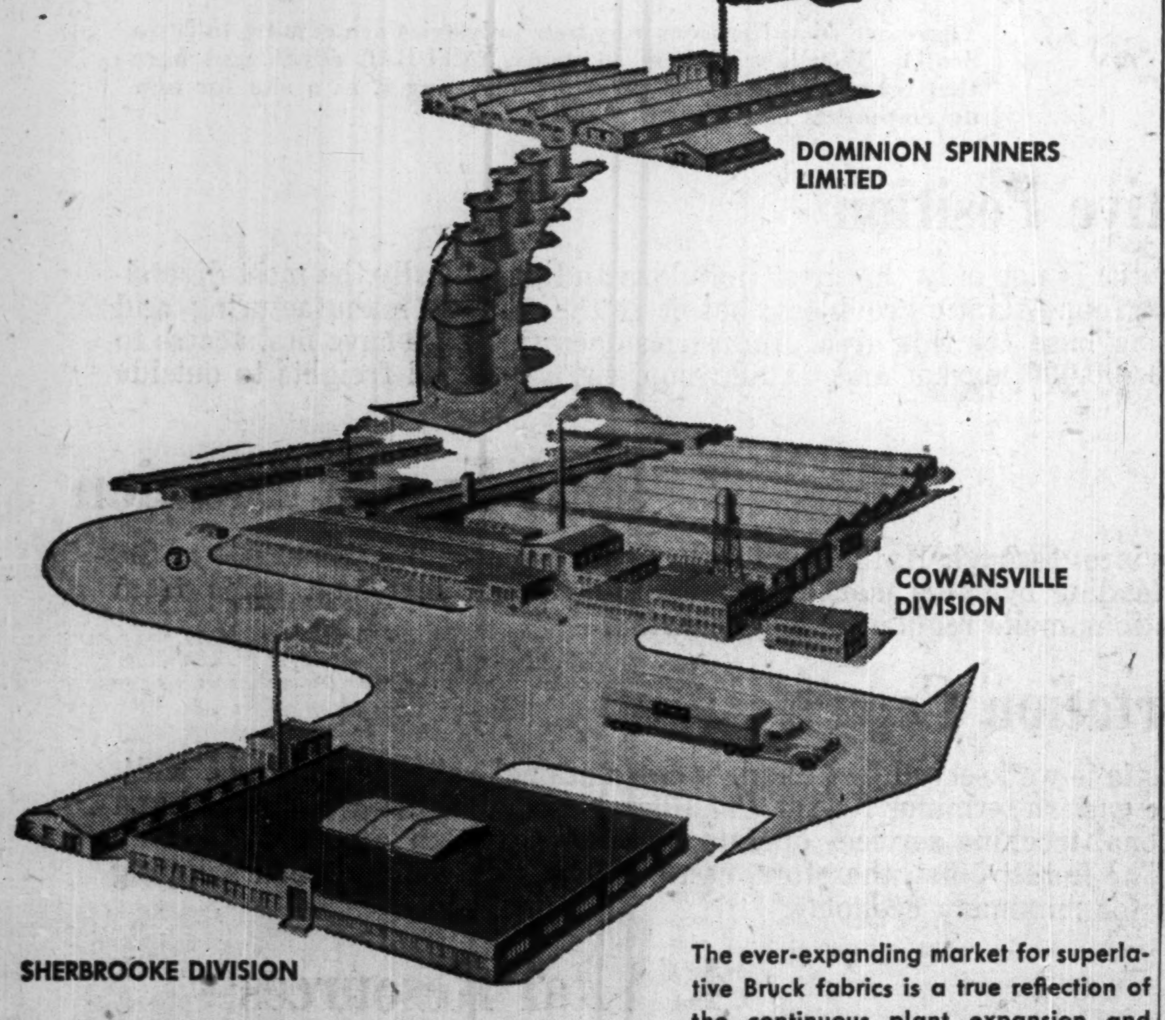

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1949 was a record year — 1950 will show even greater industrial activity in La Province de Québec.

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Additions to Québec's already great hydro-electric system are providing all the power needed for the new industries that are being established in the Province.

The great increase in population is taking care of all labor requirements. A stable Government with sound labor and economic policies ensures a brilliant future to industry in La Province de Québec.

For information on industrial possibilities in La Province de Québec — write today for a copy of the booklet "INDUSTRY IN ACTION IN LA PROVINCE DE QUEBEC" to — Honorable Paul Beaulieu, Minister of Trade and Commerce, Parliament Buildings, Québec City, Canada; or 50 Rockefeller Plaza, New York 20.

LA PROVINCE DE Québec

How Businessmen See Canada's Prospect's for 1951

(Continued from page 8)

equipment, will continue to exert every effort to meet the demands of traffic.

• • •

Philip N. Gross

President, Anglin-Norcross Corp.

During 1951 the business of construction will turn from private work to public work. Governmental action will directly and indirectly retard nonessential types of building. The degree with which these controls are applied will determine the activity of the industry and this in turn will affect labor rates and material costs.

The principal problems facing the construction industry are first, the necessity of increasing production by securing an honest day's work for a day's pay, and secondly, the necessity of close co-operation with all departments of the government in the difficult problems of priorities and controls, during a period when it is not only essential to prepare for war, but when it is equally essential to retain a strong national economy.

• • •

John D. Hayes

President, Laura Secord Candy Shops Ltd.

There are too many factors involved in all our lives today to predict what might be in store for business during 1951. Providing there is no drastic change in the world situation, I believe business generally should be good, stimulated by defense orders and the resultant full employment and high-level wages.

Another encouraging feature is the continuing flow of American capital into the country which is doing much to develop Canada's natural resources. This is particularly evident in the oil industry. The major problem we will have to face in the coming year is inflation, which, I believe, can be checked by the exercise of self-discipline and education rather than through government controls.

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J. E. Haskins

President, Dominion Board of Insurance Underwriters.

While the immediate future is bristling with difficulties and uncertainties, nevertheless I feel Canadians can look forward with confidence to 1951 being a year of increased business and industrial activity.

Our industrial expansion during and after the Second World War has been phenomenal and beyond anything we could have anticipated in 1939. There undoubtedly will be further expansion of industry during 1951, much of which will be geared to production of articles for not only our own defense program but also for the contribution we are making toward the defense programs of the other western democracies.

This is bound to affect the production of certain types of consumers and other peacetime goods and I fear we must expect an increase in the price of various commodities, to say nothing of the effect our defense program, in addition to ordinary demands, will have on salaries, wages and the already dearth of skilled labor and clerical employees.

Our major problem in 1951 will be to attempt to keep our economy on as even a keel as possible in the face of, what might be termed to some extent, a period of "artificial prosperity." Labor must not embarrass us in the dangerous period through which we are passing. Consumer purchasing may be, and by virtue of some increase in taxation, of necessity will altogether likely be, very cautious. While the ugly head of inflation may not be so prominent as it has been during the past few years, I am afraid we must anticipate some increase in the general price levels in 1951.

• • •

Sir William Hildred

Director-General International Air Transport Association.

Scheduled international airlines move so fast that they often outfly their statistics. In seeking a measure of what we can expect in 1951, I find that the most definite indication of the future is that in 1949 they flew 10% more miles, carried 15% more passengers and lifted 20% more cargo than they had in the year before.

I see no reason why we should not expect corresponding increases in the year ahead of us. I should like to hope that it will be a year of peace and prosperity, but even if it continues to be filled with cold wars and the alarums of hot ones, there will be an increasing need for international airline service. No other means of transport can furnish the quick connection between policymakers, between correspondents, between demander and supplier.

Despite the increasing costs of virtually everything the airlines buy —and particularly of fuel and personal services — I feel that there will be little or no substantial increase in the prices of the service they sell the public.

The major problem to be faced in 1951 is to show that democracy works; that it proves a good way of life; and the best way to do it is to show the oppressed and underprivileged, in countries other than our own, the truth of this dictum.

It is particularly noteworthy that during 1950 more Canadians than ever before have been able to fly abroad for vacations and pleasure. The impetus this year came from the Holy Year observance in Rome, but I hope that having tasted foreign travel once, Canadians will make it a habit in the future.

• • •

C. Bruce Hill

President, E T F Tools Ltd.

Anything that I might say as to the business trend for 1951 must be expected with the reservation that political events can drastically alter the whole economic picture but at the moment it would appear as though most business would continue at its present high level through 1951.

There is no indication that the demand for higher wages will cease. Therefore, higher prices must be expected.

If the present trend toward production for war continues in the United States and even though to a lesser degree in Canada, considerable disruption in business must be expected, as critical material shortages curtail the activities of some industries and expand others.

Unless the government adopts a strong and effective immigration policy manpower shortages will develop, particularly as the strength of our armed forces is increased.

• • •

W. F. Holding

President, Canadian Manufacturers Assoc.

Canada's most serious problem in 1951 will be to implement her rearmament program at the required speed, with the least possible impact on the standard of living. To believe that this very essential program can be achieved without personal sacrifice would be "Pollyanna" thinking, and, since experience has taught us that individuals and groups will strive to minimize for themselves the effect of shortages which will inevitably follow the diversion of raw materials and labor from the production of civilian merchandise to armaments, further development of the inflation spiral and increased prices would seem likely to follow.

The skill with which raw materials and labor are transferred from peacetime uses to armament production will, in large measure, determine the level of business activity and employment during 1951. In this connection, more particular advance information of our rearmament program is required by manufacturers to permit them to plan intelligently their 1951 activities for both defense and civilian uses, with a minimum of waste in effort, manpower and materials.

• • •

S. C. Holland

President and General Manager, Robert Mitchell Co.

The shadow of government control of materials in short supply is now taking shape and its growth will be regulated by the urgency of the defense program and the projects undertaken by Canada as its contribution to the allied war preparation. These uncertainties add greatly to the problems of normal business and cannot be predicted.

The move to consolidate all of the activities of both the Robert Mitchell Co. Ltd. and its wholly owned subsidiary, the Garth Co., has now been completed and all operations are centred in St. Laurent where economies occasioned by consolidation should soon be apparent.

Metals, particularly steel and aluminum, have been in short supply for some months, and this condition will soon be intensified, thus affecting the ordinary flow of production in our sheet metal department where such metals are a basic requirement.

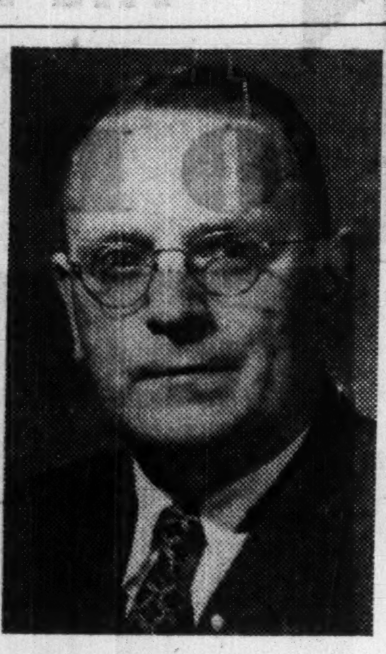
Considerable improvement has been achieved in the practice of casting of magnesium zirconium alloys for use particularly in jet aircraft and as our company has been in the forefront of such developments, substantial new business in this section of our foundry can be expected. Ingot aluminum for aircraft casting is presently in sufficient supply to enable us to participate in any foundry work arising from the anticipated increased volume of Canadian aircraft production.

There has been but little discussion with our company concerning major defense projects but it is possible that as the Canadian program is expanded, we shall be called upon to do our part in line with our facilities and experience.

The Canadian railways plan for a major increase in passenger car equipment, and if the supply of necessary materials for building is made available, a substantial volume of railway business for our company can be expected during the coming year.

Labor rates have been keeping pace with the increase in cost of living and so far no shortage in skilled labor or other types of worker has been experienced, but this condition could change quickly upon acceleration of defense projects.

Generally, the outlook for our company's business is quite good, but undoubtedly, results will be affected by higher taxation. We hope to reach high activity in normal production, but if the necessity should arise, we can fit our facilities into efforts for defense purposes.



ROBERT J. ASKIN

has been appointed vice-president (manufacturing), Abitibi Power & Paper Co.

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W. H. Howard

President, Montreal Trust Co.

The trend of business in general during 1951 will in large measure be determined by governmental and public reactions to the state of our relations with Russia. A forecast of this trend should, therefore, be based on a prognostication, which no one is qualified to make, of that country's behavior.

We can, however, assume that the following are probabilities:

1. There will be full employment.
2. Most of our manufacturing industries will be kept busy.
3. Prices of farm products will hold or go higher; and
4. The percentage of earnings retained by businesses and individuals will be lower.

Those who, like the trust companies, are charged with the responsibility of administering the property of others, will need to proceed on the assumption that the peril of loss of capital, through continued decline in the purchasing power of dollars, will be no less than it has been and that, therefore, investments should not, despite the threat of general war, be confined to fixed income securities. On the other hand, they will not find in equities either the certainty of preservation of capital or assured income, as 1951 threatens to bring with it both rigidity of the selling prices of goods and increased costs and taxes.

All in all, 1951 is likely to prove a difficult year for business executives and investors. They will need to combine initiative and energy with caution and constant vigilance.

• • •

George W. Huggett

Chairman and president, Canadian Industries Ltd.

Industry in Canada is operating at capacity. Yet the country's available productive resources are not able to supply in full the abnormal demand for goods and services which has developed since the outbreak of hostilities in Korea. The rising cost of many important materials which must be obtained from abroad has been largely responsible for prices starting to climb again.

In the face of increasing defense preparations, the inevitable inflationary pressure can be checked only if successful steps are taken to curb either civilian consumption or capital expenditures. Some measure of relief could be obtained by impending new industrial construction, but such a course might be inimical to the country's long-term interests.

Continued expansion of productive resources to ensure an increasing output of goods and services is vital to Canada's economic growth. Conversely, stationary or diminishing output will add to inflationary pressure.

The international outlook is quite unpredictable, but holding inflation in check is an essential defence preparation.

• • •

J. G. Hungerford

General Manager, National Trust Co.

We anticipate that the business of trust companies will continue upward in 1951. The increasing complexities of income taxes and succession duties and the inadequacies felt by many people in handling investment problems combined in recent years to bring about a sharp acceleration in the practice of appointing corporate fiduciaries. As it is likely the individual will be confronted with onerous problems in 1951, we expect this factor will add impetus to the growth of personal trust business.

Interest in the services of the trust company in the field of pension trusts has substantially increased, and it is indicated that this branch of the trust business will continue to expand during 1951.

The demand for other services provided by a trust company tends to vary with general business activity. It appears likely that new corporate financing in 1951 will be at least as great as in the year now ending, and therefore trust companies should experience an increased volume of corporate trust work. Requirements for defense will demand an expansion in productive capacity in certain Canadian industries and new money will be necessary. In addition, an increased volume of new financing will probably arise out of capital reorganizations of companies following the exercise of powers conferred by Section 95A of the Income Tax Act.

• • •

A. T. Hurter

Stadler, Hurter & Co.

It is hard for us to prepare a statement on the prospects for the coming year, as we are consulting engineers, and the establishment of new industries, or extensions, which make up the largest portion of our work, depend largely on the availability of construction material as well as on delivery of machinery and electrical equipment.

Although there are numerous projects contemplated for 1951 there is some hesitation on the part of the financial interests to proceed with these projects as the defense program has not yet been definitely established by the Government in Ottawa. This proposed defense program might affect such private enterprises materially.

There is also the possibility that due to the new powers conferred on President Truman, a decision will be made to proceed with the St. Lawrence waterway canal and power development. This would require tremendous quantities of machinery and equipment, as well as large engineering staffs, and we are looking forward to playing a part in this development.

We expect to continue to do considerable foreign assignment work during 1951, as many countries want to take advantage of this continent's technical knowhow. We are therefore looking forward to a very busy year.

• • •

F. L. Jeckell

General Manager, Dominion Brewers Association.

The number one problem for Canadian business in 1951 is the question of governmental controls —how soon and how many, and their effect on normal business relationships. There is no doubt that before the year is out, controls of many types will be imposed. Manpower will in all probability become a major problem to all industry including those on defense programs.

Prices of practically all commodities, raw materials and finished products will continue to rise until stopped by governmental action. Increases in wages will continue to take place with less opposition by management, until "freeze" orders are placed into effect. Additional taxes will of course have to be levied.

The number one trend in all business and the one that must be watched and fought most vigorously is that of a growing apathy, a "what's the use" attitude toward higher taxes, higher wages, higher prices and controls. Business must be alert in seeing that it does not sell itself "down the river" to the foes of a free enterprise economy.

The year 1951 may well be the most critical for business that Canada has known.

• • •

Frederick Johnson

President, Bell Telephone Co. of Canada.

Year-end conditions, in my view, portend a rising trend of industrial activity, further accelerated by the growing urgency to speed rearmament. The advance may be limited by shortages of materials and manpower. The output of industries producing less essential civilian goods may be disrupted as more steel and nonferrous metals are allocated to defense purposes. Any such curtailment of civilian supplies would tend to strengthen the upward pressure on prices as consumers' incomes continue to expand with increased employment and wages.

We see indications of a continuing high level of telephone activity throughout 1951. We believe that defense measures will have the effect of stimulating telephone requirements essential to the national welfare. It will, of course, be our first concern to meet any increase in telephone needs related to the defense program. In so far as this permits we will also continue to make every effort to carry out our plans to give service to all who want it.

• • •

Peter Kilburn

President, Investment Dealers' Association of Canada.

The year 1951 will be dominated by war or fear of war. Urgent forces will ensure a high rate of business activity. The extent to which we must abandon our peace-time habits and again suffer controls of materials and civilian functions and privileges will be dependent on the fortunes of war. Higher taxes have already been officially forecast.

The dominant financial problem would appear to be the threat to our currency and financial equilibrum of immoderate inflation. Like most other questions of vital importance to Canada, the solution is not altogether in our own hands.

The normal growth of Canadian capital equipment and the financing thereof will likely be affected by delay and acceleration depending on strategic importance.

Bond and stock prices, even now moderately under the influence of inflation, will likely continue to reflect the way in which that question is handled.

• • •

Chas. Kroft

Vice-President and General Manager, McCabe Grain Co.

In the light of the general world situation, it is most difficult to forecast the trend of business for 1951. The trend in Western Canada towards increased stock and poultry population, is very encouraging, as with the large stocks of low grade wheat and other feed grains available, that should be very profitable to farmers and business generally.

Recently, there have been statements made by government officials, indicating that their thinking is towards fewer restrictions, and encouragement to businessmen and merchants to seek wider markets, wherever they may be, for Canadian products, and it is hoped that this trend will continue. These officials are realizing the necessity for Canada to seek markets in all parts of the world, and apparently, they realize that the best way to do this is through private enterprise. A more objective action, in so far as the grain business is concerned, would be to release it from the marketing controls now exercised.

With most of the world nations outside of North America, not over-burdened with foodstuffs, the prospects are that we will dispose of most of our agricultural products that we are not able to use at home.

• • •

A. L. Lawes

President, Montreal Shipping Co.

Our prospects depend largely upon the international situation. I consider that Canada is one of the most fortunate countries in the world, and with the immense new developments of natural resources added to our older established industries and previously developed natural wealth, I believe a completely optimistic outlook is justified.

Should a fighting war come upon us during 1951 the best that can be said is that all of our vast resources will have to be placed at the disposal of our country and its allies, and that business in the normal sense will have to be forgotten until victory is attained. I prefer to emphasize the great future which lies before Canada in a peaceful world, and to emphasize the importance of peace to this country.

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A. V. Loftus

President, Canada Bread Co.

We believe that the year 1951 holds greater prospects for the bread industry than we have had in the past two years even with conditions as they are in the Far East.

The products of the bread industry are eaten by all families and they are priced low enough to meet the purses of same. Consequently, I feel that although there may be difficulties ahead in the world, our industry should not suffer by same but rather, sales should continue to be better. The price situation that we have had in the past 12 months was not favorable and I feel that today's prices give us a more beneficial outlook for the coming year.

So far we cannot see any major problems that have to be faced but if any difficulties arise, our industry is well enough organized to face these problems.

J. K. Macdonald

President, Confederation Life Association.

The Canadian as well as the world economy continues inflationary. The underlying causes are:

First—war preparations forced upon us by the necessity of building up our military and economic strength sufficiently to defend our way of life—free private enterprise; and

Second—Government efforts to underwrite permanent prosperity by methods deliberately designed to maintain an inflationary climate.

Such an atmosphere cannot but lead to eventual higher prices, even though they might be temporarily held down by price controls, unless our four most important economic groups — government, management, labor, and the combination of these — consumers, combine in a sincere effort to eliminate expenditures, unless these be accompanied by greater productivity.

In all this the life insurance industry assumes a major role. It accumulates the savings of our people through life insurance premium collection and in turn helps them to provide economic security for their dependents and themselves during their retirement years, as well as actually expanding opportunities for employment and higher earnings by providing industry and government, through the investing of these savings, with the capital required for the expansion of productive capacity.

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L. S. Mackersy

General Manager, Imperial Bank of Canada.

With the present world situation it is obviously difficult to forecast with any degree of accuracy what the business trend will be in 1951, but there are a number of aspects of the present situation which will have a bearing on future prospects and from which we can make some assessment of what the trend will be.

Unless there is to be some marked improvement in international relations with certain countries, the increased rearmament program will have its effect upon the economy of the nation. There is little unemployment in Canada today and consequently with existing capacity production the rearmament program is likely to cause some complication and it appears that the production of non-essential and luxury articles will either be restricted or that the public will have to restrain themselves in their buying.

Maximum employment is likely to remain during the coming year and consequently pay envelopes will be full. The tendency of inflation still persists and the increase in the cost of living will be dependent to some extent on the policy of the United States Government as our two economies are closely linked.

It would appear, therefore, that the trend will be similar to that during 1950 with production at capacity but with a possibility of a general increase in prices and cost of living. In other words, if peace prevails, Canada can look forward to a prosperous year during 1951.

• • •

C. Stuart Malcolm

Manager for Canada, Royal Exchange Assurance.

One must be possessed of courage in these troubled times to attempt to prognosticate the future of almost anything; to attempt to do so with respect to the insurance business is undoubtedly foolhardy. It is foolhardy because, insurance contracts being written for the most part for three year periods, one can only judge, at this period of the year, from one's own statistics; the statistics for the industry are not available till early spring.

Then again there are so many factors that affect underwriting results: no one, a year ago, could have foreseen the conflagration of Rimouski or Cabano, the flood in the Red and Fraser Valleys or the windstorm in Winnipeg and in Central Canada. Few underwriters could escape any one of them: no underwriter could escape them all.

It is safe, however, to predict that the people of Canada will pay and pay highly in 1951 for carelessness with fire and carelessness with motor vehicles. It is certain, that whatever the amount of the toll in 1951, it will hamper our preparedness program and thus aid the enemy.

It is safe to predict, that with rising prices, the vast majority of those, who suffer losses, will find that they are "under insured" and must themselves bear some part of the loss that they failed to insure.

It is safe to predict that the trend of world events may carry with it a sense of urgency, and I hope that it will bring with it an appreciation of the cost in lives and property, that arises out of our relative irresponsibility, with respect to the chances we take with fire and traffic hazards.

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H. W. Manning

Vice-president and managing director Great-West Life Assurance Co.

Life of a nation or of an individual is made up of two parts. First, the ends for which men live and, second, the means by which men live.

We fought in the last war as a nation to preserve the ends for which we live. In the past few years we have, as individuals, extended and developed the means by which we live. Transportation has been improved. New factories have been built and old factories enlarged and modernized. Electric power has been increased. Massive oil and ore resources are being developed. The standard of living has been raised by all this and by the production and purchase of many household and personal goods long deferred by war.

Today, the ends for which men live again are threatened gravely and we must prepare now to defend them.

The most important problem in the new year is that each and every Canadian must see clearly that a change must be made in the means in order to preserve the end purposes of our lives.

Given such recognition by government, industry and labor, the decisions on matters of policy, production, and service by each will give strength to the others and to Canadians as a whole.

Shortly we all may be faced with a conflict of the defense program, industrial construction and domestic consumption. Problems will arise such as increased inflation, use of materials and hours of work. These problems and many others will be solved more easily if we will now put first things first.

Increased production will be accompanied by increased personal income. However, we must practice, in an ever-increasing measure, self-sacrifice and thrift. In this the life insurance industry can help. Through plans of protection and savings, people can remove money from the inflationary spending stream so that it may be used in the development and expansion of our resources.

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W. A. Mather

President, Canadian Pacific Railway Co.

The ratio of net to gross earnings in 1950 again reflected, as it has consistently in recent years, the effect of inflationary tenden-

(Continued on page 10)

ROBERT S. HART

Announcement has been made by M. Aylsworth, president of The Huron & Erie Mortgage Corporation and The Canada Trust Company, of the appointment of Robert S. Hart to the Hamilton Advisory Board of the companies. Mr. Hart is president of National Steel Car Corporation and Best Weatherstrip Co. Ltd., Hamilton. *

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UNITED GRAIN GROWERS LIMITED

NOTICE OF REDEMPTION OF BONDS

TO THE HOLDERS OF FIRST MORTGAGE 4% SINKING FUND BONDS, SERIES "C," OF UNITED GRAIN GROWERS LIMITED

NOTICE is hereby given that United Grain Growers Limited has elected to redeem all its First Mortgage 4% Sinking Fund Bonds, Series "C", maturing March 1st, 1963, and that the date fixed for the redemption thereof is January 13th, 1951, and that accordingly United Grain Growers Limited will, on January 13th, 1951, redeem the said Bonds by payment of the principal sum thereof, with a premium of three per centum (3%) of such sum, and with interest accrued on the said Bonds to the said date fixed for redemption, at any branch in Canada (Yukon Territory excepted) of The Royal Bank of Canada or of the Imperial Bank of Canada at the holder's option, upon presentation and surrender of the said Bonds, together with all interest coupons appertaining thereto maturing subsequent to January 13th, 1951.

The holders of the said Bonds are accordingly required to present their Bonds (together with all unmatured coupons appertaining thereto) for redemption on January 13th, 1951, at any of the aforesaid places.

AND NOTICE is hereby given that all interest on the said Bonds shall cease from and after the said date fixed for redemption.

Coupons matured prior to January 13th, 1951, should be detached and presented for collection through the usual channels.

Registered Bonds must be accompanied by duly executed assignments or transfer powers.

This notice is given pursuant to the provisions contained in the Deed of Trust and Mortgage made by United Grain Growers Limited in favour of Montreal Trust Company (Trustee for the bondholders) dated as of June 26th, 1946, and a Supplementary Deed of Trust and Mortgage made between the said parties, dated as of the 29th day of March, 1948, under which the said Bonds were issued.

Dated at Winnipeg, Canada, this 13th day of December, 1950.

UNITED GRAIN GROWERS LIMITED
per D. G. Miller,
Secretary.

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DONNELL & MUDGE Limited

NEW TORONTO

DISTRIBUTOR—FRED'K WHITLEY & CO. MONTREAL

Businessmen Look at 1951

(Continued from page 9)

cies in the steadily rising burden of cost for labor and materials.

These increased costs are beyond the control of management and the railways of Canada have no alternative but to apply to the proper authorities for higher freight rates to meet them. At the same time the railways are only too conscious of the great strides made by other forms of transportation in the past two decades and of their improved competitive position.

It must be apparent that the relative monopoly which the railways had in the transportation field 30 years ago does not now exist. Due to the growth of Canada, the expansion of industry, and changing conditions, new forms of transportation have been developed which, in some cases, are preferred to railway services. That is as it should be. It is in the best interests of the country that there should be competition in the transportation field as in other industries, but only so far as such competition is on a fair and equitable basis. No form of transportation should hold a preferred position, or continue to enjoy it at the expense of the taxpayer, or to the detriment of the carriers by rail which, after all, have proven to be and are still essential to the development of the country. There is a field in Canada for each of them, and given a fair and equitable basis as between them on which to compete, the development of the energy and resourcefulness of each which stems from competition on that basis will result in benefit to all our citizens.

From present indications, and assuming no further major deterioration in world affairs 1951 now promises to be a year of high level in industrial activity and development. Oil, minerals, manufacturing and irrigation all present great potentiality towards the increased economic growth and strength of the country. If Canadians are imbued with a will to work, nothing short of a national catastrophe will prevent the attainment of that degree of progress which we all desire.

K. R. Marshall

President, Canada Steamship Lines Ltd.

Providing that the nations concerned, through the U.N., are able to find some amicable solution to the Korean situation, we may expect the continuation of the good business conditions which have existed throughout 1950.

If this is not forthcoming shortly, wartime controls will be applied to most basic industries such as steel, aluminum, timber, base metals, and also priorities in transportation which, in turn, will affect the availability of manufactured goods and scarcity of these on the retail markets.

If the immediate future develops along these lines, it is quite possible that the general price level and wages will also both be controlled as was the case in the recent war.

With regard to the major problems to be faced, these will probably include the difficulty of obtaining goods and sufficient effective help during a period of almost full employment and shortage of labor.

But I feel that at least a temporary peace will be worked out and that the protracted period of preparation to follow will ensure good business for some time to come.

* * *

A. H. Martin

President, Dominion Tar & Chemical Co.

This year met our expectations as a year of high activity. Confidence in the natural growth of Canada is expressed in the continued expansion of chemical facilities.

We believe that heavy demand will carry well into 1951, but with the world in probably its most explosive condition since 1939, there are serious influences at work which can adversely affect the continuation of gainful productivity.

Further inflation seems unavoidable unless all of us pull in our belts. Rising costs and material shortages — perhaps overstimulated by the war threat — will be a constant challenge to the ingenuity of technicians in uncovering new and more efficient methods of operation if profits are not to shrink seriously.

Any substantial increases in corporate or personal taxation can easily prove to be a deterrent in affecting volume of production.

Labor could assist materially by increasing weekly hours of work.

* * *

James Matson

Manager for Canada, Royal Liverpool Insurance Groups.

The problem for 1951 is, how are the United States and Canada going to react to the knowledge that for many years to come, a considerable portion of their energies, manpower and earnings must be expended in defense of the ideals under which their citizens wish to live. Will there be understanding and restraint? Will the people accept the doctrine that the payment of the premium for the defense of their liberties and ideals means, at least for the present, a reduction of some of their material comforts and ambitions? Can we all exercise self-discipline without being regimented? Can we each do more work?

If we can exercise self-restraint, the future outlook, although difficult, is hopeful and reassuring. On the other hand, if we and our leaders cannot face up to these long-term problems, we shall most probably work up to the uncomfortable position of having to face a drastic readjustment.

* * *

Hon. F. B. McCurdy

President Eastern Trust Company.

Everyone of us realizes that even when the angel of death visits the home, the housekeeping must go on. It is a fundamental in living.

In an expanding economy such as is Canada's condition, I expect that the present business activity and rising price levels will persist well into 1951. Probably they will increase — not subside — and will continue to create business situations which at that time must be dealt with in accordance with the circumstances surrounding them, and which decision will call for the best that we can give them.

I think we can best assure the public interest in the coming year by each one sticking sedulously to his knitting with a resolve that such duties as devolve on each of us shall be discharged willingly, faithfully and courageously, remembering that we are never beaten until we acknowledge ourselves defeated; that feeling —to say the least—is foreign to the Canadian of today.

* * *

James H. McIlroy

President, Canadian Institute of Plumbing and Heating.

With the construction industry continuing to work at a high level, employment at a postwar peak, increased government spending, and a strong trend toward modernization of farms and farm homes, demand for the products and services of the plumbing and heating industry is expected to continue at record level during the beginning of 1951.

There are some signs that the business curve is reaching a "temporary plateau" but despite government controls and numerous other factors, sales volume in 1951 should approximate the 1950 level.

At a cost of millions of dollars and the employment of thousands of new employees, the industry is working at record capacity to catch up with and overtake the increasing demand for its many products and services coming from many sources.

Demand has been high from all categories of construction. An increasing demand has been coming also from the farm market where the extension of electric power lines is developing a vast new market for the industry. This will grow as power commissions and privately owned power companies complete their programs for 1951.

To meet this record demand and growing need for the industry's goods and services, the plumbing and heating business is faced with a number of record production years ahead. Production in most lines was stepped up sharply in 1949 and was increased further in 1950 and output could be boosted higher in 1951.

* * *

W. N. McLeod

President, Moore Corporation.

Volume of incoming orders for the business forms industry reflects fairly accurately, the general business trend. The current experience in this respect in both the United States and Canada indicates that the present high momentum of general business will continue well into the future. This seems inevitable in the wartime economy which is building up.

Mounting costs in this industry have been experienced because of upward trends in the basic factors of raw materials and wages. The present efforts under way at Washington to control such items, should bring moderating results and it would not be surprising if these control activities were reflected in Canada as well.

Looking ahead into 1951, raw materials in this industry are not too plentiful and the availability of adequate manpower will undoubtedly be an increasing problem for industry in general.

* * *

H. D. McNairn

Manager for Canada, Prudential Assurance Co. Ltd. of England.

War preparedness expenditures and the accompanying spurt of inflation which seems inevitable should be reflected in a higher sales volume in both the life and general insurance field in 1951.

Increases in values may again emphasize the "under insurance" problem in the fire insurance business which has been a major factor in the loss ratio since the last war.

Climbing accident rates, new car construction and higher repair costs hold out a prospect of further increases in automobile insurance rates. With premium income at a record level companies will still find it difficult to write the business at a profit.

Rising operating costs have reached a point where the normal economies expected from increased business volume have been substantially reduced or eliminated altogether and present a problem which will be rated in the serious category by both life and general insurance management next year.

* * *

K. J. Morrison

President, Dominion Association of Chartered Accountants.

As the efforts of the United Nations become more crystalized, the general tenor of business will become more stable. I look forward to a continued upward trend in business during 1951 because it does not appear possible at the present time for the democratic nations to feel secure. The necessary defense program ensures continued activity.

In so far as general price level is concerned, it is significant that the consumer, while naturally complaining about continued increases, is doing very little to encourage a leveling off process. So long as consumers insist on buying beyond their real requirements the general price level is liable to increase. On the other hand, business generally, while adverse to government controls, is overlooking or ignoring the co-operative feature, which government has suggested, of refraining from unnecessarily increasing prices. Quite recently governments have suggested that if controls are to be instituted they must be in total. If our people desire to be free from such controls they must make their contribution, so as to make such procedure unnecessary.

The major problem facing Canada, in common with the rest of the world, is whether the opponents of democracies will bring about a global conflict. Very careful and dispassionate thinking is what is required and I believe that the statesmen of the world, in so far as the United Nations are concerned, are keenly aware of their responsibilities.

* * *

R. J. Murphy

President, United Towns Electric Co.

With world affairs in such a condition that almost anything can happen, any estimate of future business trends can be little more than a guess.

If, however, through the intervention of Divine Providence, major war is averted and the rearming of the Atlantic Pact Nations calls for only a modest proportion of Canada's total production, business trends should continue more or less as they were in 1950 with production and employment increasing.

Prices like taxes can go no other way but up, incidentally the lessening of anti-dumping restrictions on certain classes of imports from dollar-starved Britain and Europe might help.

Presumably stock-piling in the U. S. will create certain shortages of materials and increased tempo of production will increase demand for labor, which may be relieved to some extent by selective immigration.

Hope exists that government revenues will be sufficiently buoyant to eliminate the necessity for much more than token increases in taxation.

* * *

Balmer Neilly

President, McIntyre Porcupine Mines Ltd.

The gold producers, operating under present-day costs and conditions and compelled to sell their total production to the Government at, or about at, prewar prices, are to say the least in a very difficult position. If the monetary authorities are sincere in their oft-expressed hope that sometime in the not-too-distant future, international exchange may be freed and conducted upon a gold standard basis, they should admit now that the present dollar is degraded to a degree that requires a new relationship between it and gold.

In the meantime venture effort and capital heretofore available to the gold mining industry, are seeking more attractive fields.

* * *

L. S. Odell

President, Building Products Ltd.

As 1950 comes to an end the construction industry is operating at a very high level, with contract awards placed at a record rate during the last quarter. This high level of activity would normally be expected to continue well into 1951. Residential demand is becoming satisfied in some localities but the amount of commercial and industrial construction in the planning and starting stage should ensure a high rate of operation well into the year.

Raw material prices have risen sharply and are at all-time record levels. This points to a new high in building material costs with no sign at present of any reversal in trend.

Any forecast for 1951 based on present building rates and contract awards may be wide of the mark in view of the rapidly worsening defense situation. Diversion of manpower and material to war work on a large scale will slow down normal construction, but there will be an offsetting factor in building requirements for defense purposes. As we see it the big problems in 1951 will be matters of procurement and cost control.

* * *

E. A. Pearce

President, Canadian Canners Ltd.

The year 1950 will go down in world history as eventful in the extreme. Canada has experienced her share of this world history, and undoubtedly will continue to play her full part in international affairs.

The releasing of exchange control on the Canadian dollar was a courageous decision, one which will set an example for other foreign countries. The Korean situation changed our Canadian business from a buyers' market into a sellers' market, as individuals and industry, remembering the shortages that existed in the Second World War, considered it necessary to protect themselves against a repetition of this condition. This buying surge meant advanced prices and increased profits. We are now undoubtedly faced with higher taxation, excess profit taxes, and probably government controls, which will have the effect of reducing our spending power and will, no doubt, curtail our prosperity, for the time being.

At this time, it would be very difficult to hazard a forecast of just what the future holds for Canada, but it would definitely appear that some caution must be

(Continued on page 12)

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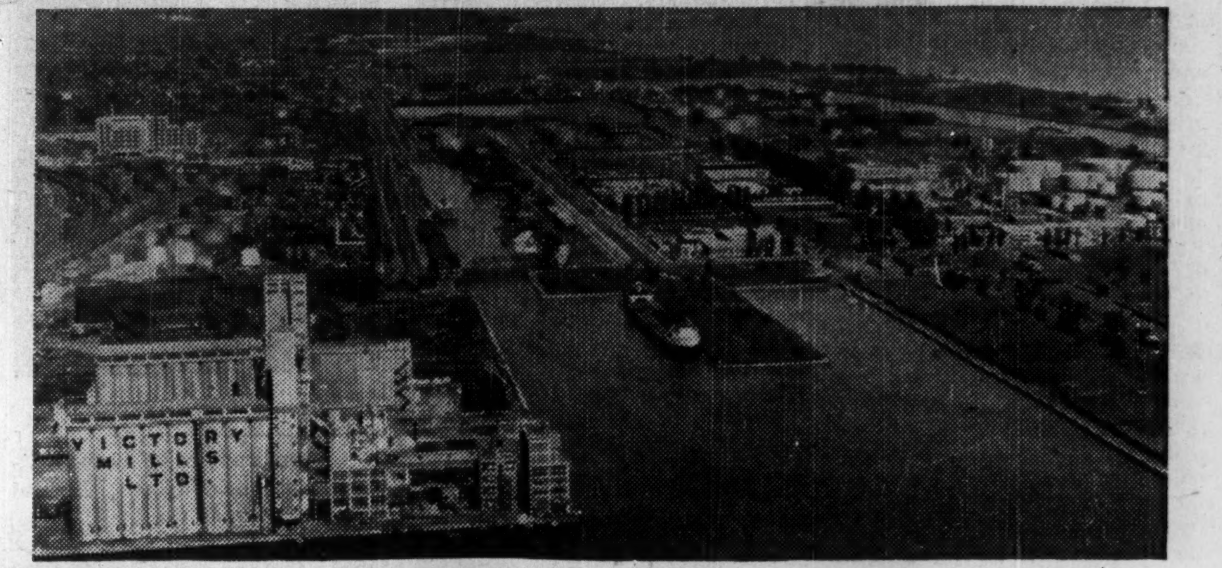
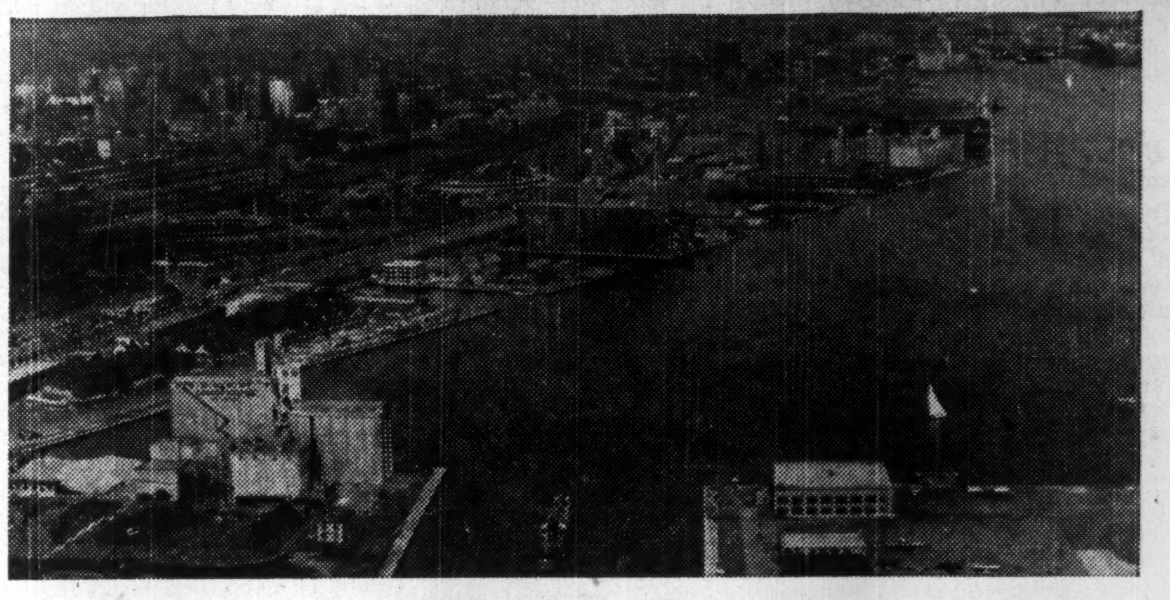
from the East...





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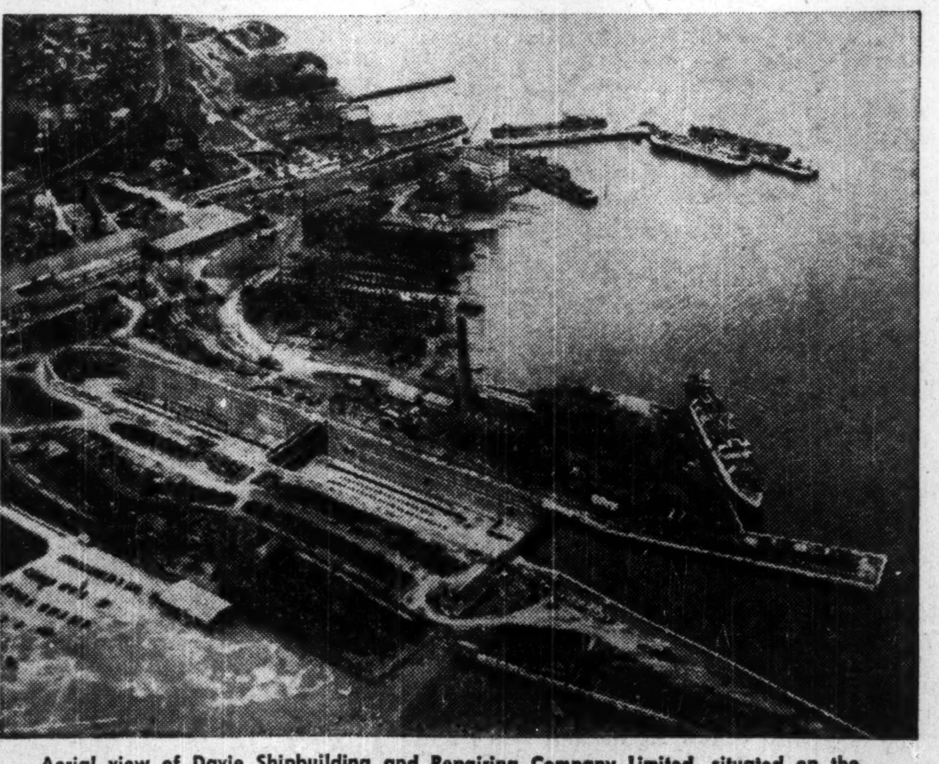

Aerial view of Davie Shipbuilding and Repairing Company Limited, situated on the St. Lawrence at Lauzon, Que.

Port Arthur Shipbuilding Co. Ltd., one of the Company's four Ontario shipyards.

...from a minor repair to a multi-ton tanker

Almost every type of shipyard job is handled by Canada Steamship's five building and repair centres.

Only last November, the largest fresh-water oil tankers in the world — sister ships "Imperial Leduc" and "Imperial Redwater" — were respectively launched at Collingwood and Port Arthur. The country's biggest cargo vessels — Collingwood's "Hochelaga" and Midland's "Coverdale" — have carried record shipments since their maiden voyages last year.

Whether a contract calls for a paint job on a local fishing smack at Kingston — a $5,000,000 Department of Transport icebreaker at Davie — or any work demanding skilled workmanship . . . C.S.L.'s shipyard service is guaranteed.

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Chatelaine reports its best year in 22 years of service to Canadian women and to Canadian business

1 Advertising revenue was the highest in history—a total of $1,304,302; a gain of $62,000 over 1949. Advertisers spent more in Chatelaine in 1950 than in any other monthly magazine published in Canada.

2 Circulation increased more than 50,000 over the previous year — Chatelaine net paid circulation as of June 1950 (ABC Publisher's Statement) was 379,273. More women buy Chatelaine than any other woman's magazine circulating in Canada.

•

EACH YEAR A GOOD YEAR FOR CHATELAINE

1950 is a continuation of the steady, healthy progress of Chatelaine since it began publication. It enjoys a record of greater and greater service to the women of Canada, and provides a richer and richer market for national advertisers.

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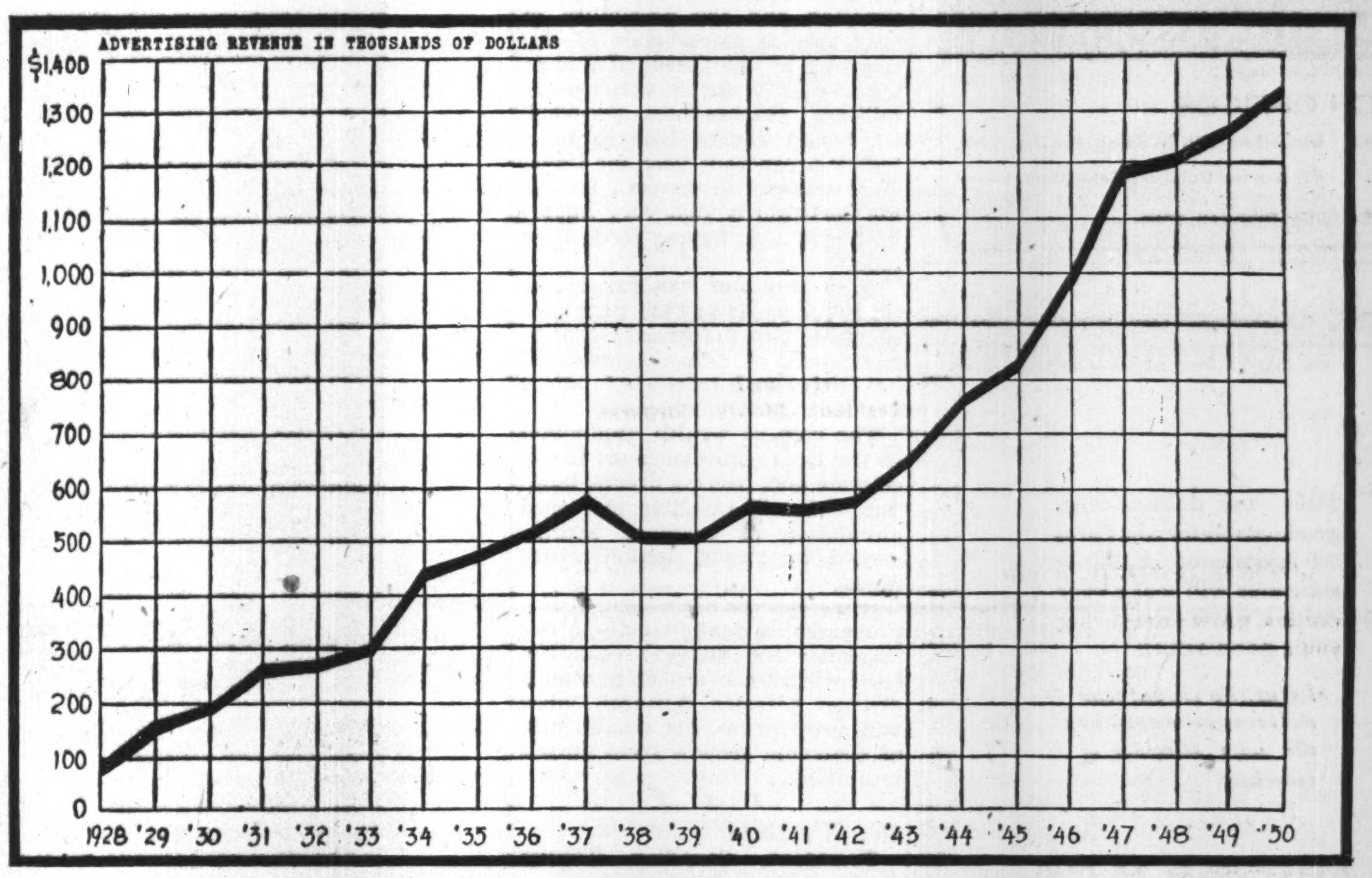
EXPANDING EDITORIAL SERVICES

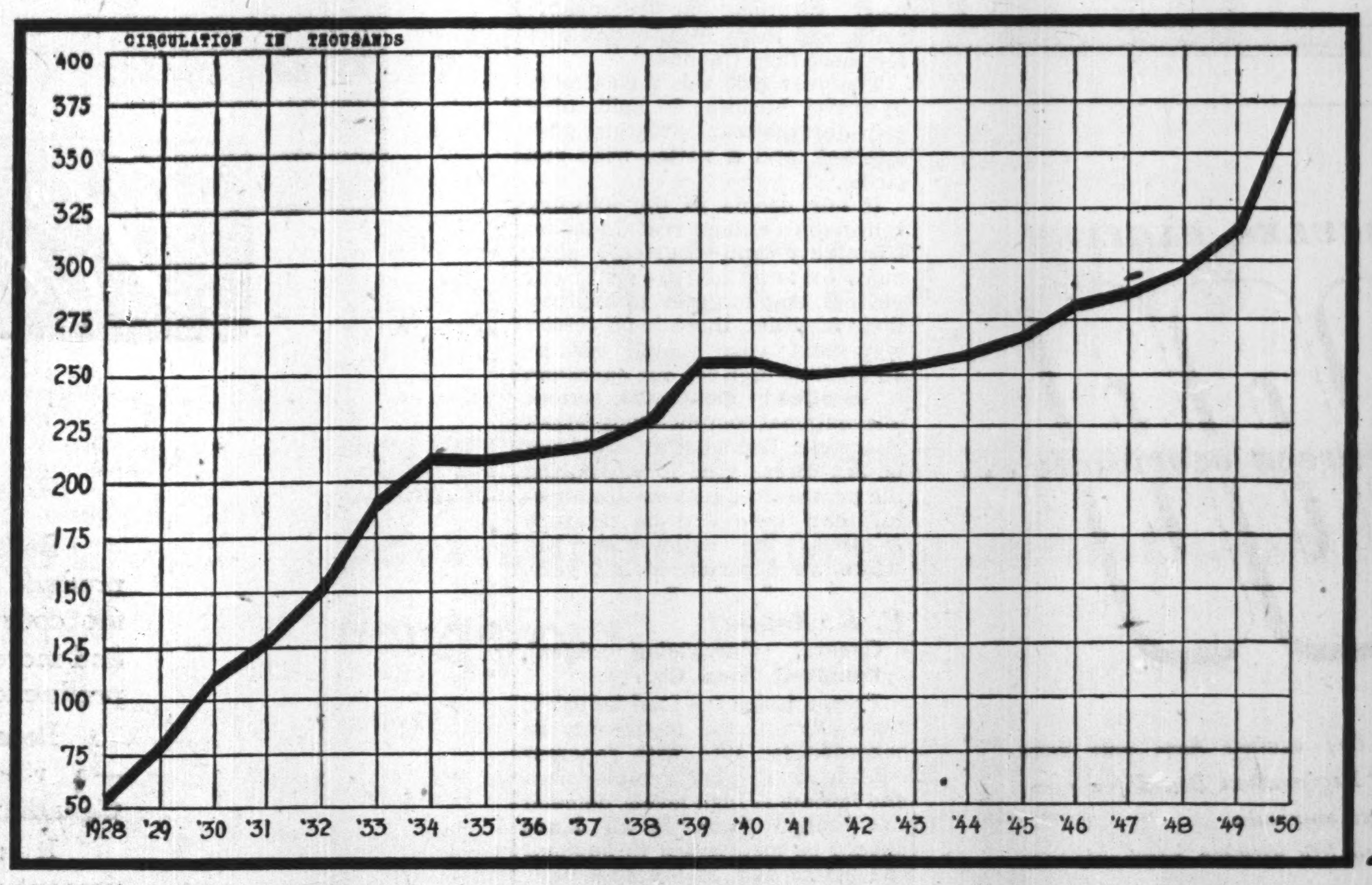
Next year will see further expansion in editorial services by Chatelaine. Every topic of interest to Canadian women will be covered by the largest editorial staff of any monthly magazine in Canada, including top level editorial writers on fashions, food, beauty, health, home planning, housekeeping, handicrafts and child care, in addition to fine fiction and lively news features.

•

Additions to Chatelaine Editorial staff include the appointment of Mr. Gerald Anglin as an Associate Editor responsible for news articles.



CHATELAINE ADVERTISING REVENUE MORE THAN DOUBLED IN THE PAST 10 YEARS



THE LARGEST CIRCULATION GROWTH IN 1950 OF ANY YEAR IN CHATELAINE HISTORY

Business already placed by advertisers indicates a bigger-than-ever year in 1951.

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CHATELAINE

The Canadian Woman's Magazine

A MACLEAN-HUNTER Publication

481 UNIVERSITY AVENUE
TORONTO

Businessmen Look at 1951

(Continued from page 10)

exercised until the situation becomes better focused.

One thing, however, is outstanding. Canada can be more confident of the ultimate future than perhaps any other country in the world. Our oil development, our hydro development, our iron ore development, and our increasing population, cannot be discounted, and while ups and downs or booms and recessions are inevitable, yet the ultimate growth and prosperity in this country cannot be denied.

* * *

J. G. Parker

President, Imperial Life Assurance Co. of Canada.

The buoyancy in the market for life insurance, which became evident in June of 1950, has continued without diminution till the end of the year. The fact that the national income and employment remain at a high level, coupled with the continuation of low interest rates and substantially high income taxes should ensure an equally buoyant market in the new year.

In the investment field there has been a continuation of the diversification of investments, the portfolios of most companies showing an increase in the percentage of holdings in corporate securities, in mortgages and to some extent in income-producing real estate.

It is to be expected that the trend toward higher interest rates, which became evident in the last year, will continue and that there will be shown in the reports of most companies a somewhat higher return on investments than in the year 1949.

* * *

H. C. Patten

General Manager, Toronto Transportation Commission.

No one who has followed the development of Toronto during the last 30 years can doubt that this city has a great and expanding future.

If the Toronto Transportation Commission did not share this belief it would not have proceeded with its plans for rapid transit lines or taken such an active part in planning transportation facilities in the metropolitan area.

The proposals of the city with respect to amalgamation, if carried out, will have far-reaching effects on the operation of the Transportation Commission. The present area of the city served by the Commission is 35 square miles. The proposed area to be included with the City of Toronto would increase this to 240 square miles, or about seven times the present territory covered by the single fare system now in effect. The problems which this enlargement will bring to the Commission will be many.

Apart from this development, the operations of the Commission and passenger carrying have been maintained at the same high level as was reached at the end of World War II. There is nothing in employment figures, industrial production or business activity of all kinds to indicate any slackening in the demand for public transportation.

* * *

H. A. Rapelye

President, Continental Can Co. of Canada.

Were it not for the uncertainties of the present world political situation and the possibility of very serious disturbance of our economy by the threat of war or the necessity for a very heavy military preparedness program, we would expect 1951 to be a highly prosperous year for Canadian industry in general, including particularly that very important part of it having to do with food.

As a result of weather conditions, the packs in 1950 were considerably short of healthy figures and stocks of canned goods will be fairly well exhausted before the 1951 pack commences.

The rate of wealth production in the Dominion continues to accelerate and, barring drastic taxation, this will result in increased circulation of currency accompanied by strong consumer demand.

If we can maintain normal improvement in our productivity per manhour the general economic level will rise. If we can minimize distrust between business, labor and government, our possibilities of economic growth seem almost unlimited.

* * *

W. W. Reid

President, Canadian Tourist Association.

Unless international conditions change for the worse, the year 1951 should be a banner year for the tourist industry in Canada. Families will again desire and need vacations at reasonable rates, and there is no better spot for same than Canada.

The year 1950 was a good year in travel business in spite of a grim international situation, poor weather, and a nation-wide rail strike.

If our people in the industry continue to extend real Canadian hospitality and courtesy, offer more entertainment to our visitors, and continue to improve their facilities, there is no reason why next year should not be an all-time high for our operators if, as already mentioned, serious international complications do not intervene. The weather could not be any worse than it was during the past season, and we are hopeful that there will be no such crisis as the nation-wide rail strike we experienced last year.

* * *

E. R. Renouf

General Purchasing Agent, Campbell Soup Co.

Prospects for the food industry, especially canned foods, can be regarded for 1951 with renewed confidence. With employment and income at high levels, demand for canned foods of all kinds should be maintained throughout the better part of the new year. Stocks on hand are, generally, smaller than last year and, therefore, larger acreages of many canning crops are already being planned.

Producers will undoubtedly expect to receive higher prices to offset rising costs of labor, fertilizers and other materials. Retail prices of canned foods will, therefore, maintain present levels or rise slightly. In spite of the existence of so-called "sellers' market," the factor which remains of paramount importance is quality. The opportunity will be afforded many firms to consolidate their position within the industry, or to improve same at the expense of those seeking to take advantage of a temporary opportunity.

* * *

J. E. Reynolds

President, Remington Rand Ltd.

On the threshold of 1951, the office appliance and business machine industry finds itself in a situation in many ways comparable to that existing in the early 1940s. With the increased demand for its products, production has been expanded, but shortages of materials and components, already in evidence, may well create a scarcity of many items during the coming year.

Preparations for defense in 1951 will reflect an increased demand for all office appliances, especially from organizations engaged in defense work.

Rising costs of materials, higher wages and taxes, leave the manufacturer with no alternative but to consider these factors in his price structure. The coming year, therefore, may see increased prices as well as a scarcity of goods.

* * *

James A. Roberts

President, Mercury Mills, Ltd.

The 1951 business outlook will unquestionably be governed by outside circumstances—it will be a fateful year for the free nations of the world. The availability of capital equipment and raw material supply will decide the volume of production which should be at maximum levels before the end of the first six months in 1951.

In the absence of price and wage controls, it seems inevitable that prices will rise. The pattern in the United States cannot help but affect Canada, and, may lead to controls, priority systems, increased taxation (both personal and corporate), credit limitations, and perhaps, even the imposition of some form of deferred or excess profits tax.

There already exists, and 1951 will see aggravated, a short supply in labor, and new sources must be found either through increased numbers of married women, an accelerated immigration program, or the development of revolutionary new manufacturing techniques.

There is every reason to anticipate that the percentage of soft goods sales to total sales will increase as hard goods will go earlier into a short supply position whilst money remains in fairly constant circulation.

We look, therefore, to an active production year in 1951, limited chiefly by the possible shortages of both capital equipment and raw material. It is likely that increased demands will be made upon the knit goods industry as the defense program develops throughout 1951.

* * *

Charles D. Roice

President, International Harvestor Co.

First: I believe the demand for farm products will continue to be strong and that the level of farm income will be good. Historically, high farm income has always meant a good demand for our products and I think we can expect a good market.

Second: it is evident that war and the threat of war will have a considerable influence on production, particularly on the supply of materials for our factories and on the supply of machines imported from the United States. I expect some reduction in the production of machines as a result of these two factors . . . how much, it is not now possible to say.

Third: we must face the fact that present prices cannot last throughout 1951 in the face of increases in materials and labor costs and with the possibility of lower volume of production. Any substantial decrease in volume would put heavy pressure on existing price levels.

Fourth: despite the possibility of lower production, I expect the total output of machines to be substantial and I look for a year of strong competition between manufacturers and between dealers in our industry.

In spite of world-wide conditions as they now exist, we and our dealers are looking forward with confidence to another good year in 1951.

* * *

Rhys M. Sale

President, Ford Motor Co. of Canada.

There is now no doubt that there will be a more pronounced swing toward a war or preparedness-for-war economy in Canada in 1951 and it is futile to think in business-as-usual terms. In our own field, we know that some reduction in civilian production is inevitable. The degree of cutback will depend on the military requirements of free nations.

It is obvious that we will face growing shortages of some materials, particularly nonferrous metals and certain types of steel.

A national recruiting campaign would intensify our difficulty in obtaining enough manpower of the right kind. What appears to be needed most at this time is intelligent guidance so that the future planning of industry may be shaped to probable national needs.

* * *

Robert H. Saunders

Chairman, Hydro-Electric Power Commission of Ontario.

With the placing in service last summer of the George W. Rayner Generating Station on the Mississagi River, and a tie-line interconnecting northeastern Ontario with the southern part of the

(Continued on page 13)

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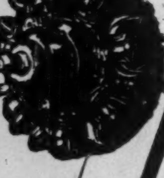

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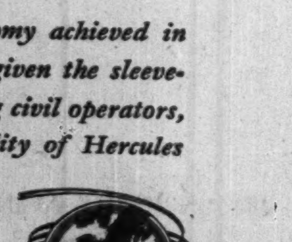
The excellent reliability and economy achieved in service by the Hercules engine has given the sleeve-valve engine a high reputation among civil operators, and once again proved the suitability of Hercules and Centaurus engines for transport type aircraft.



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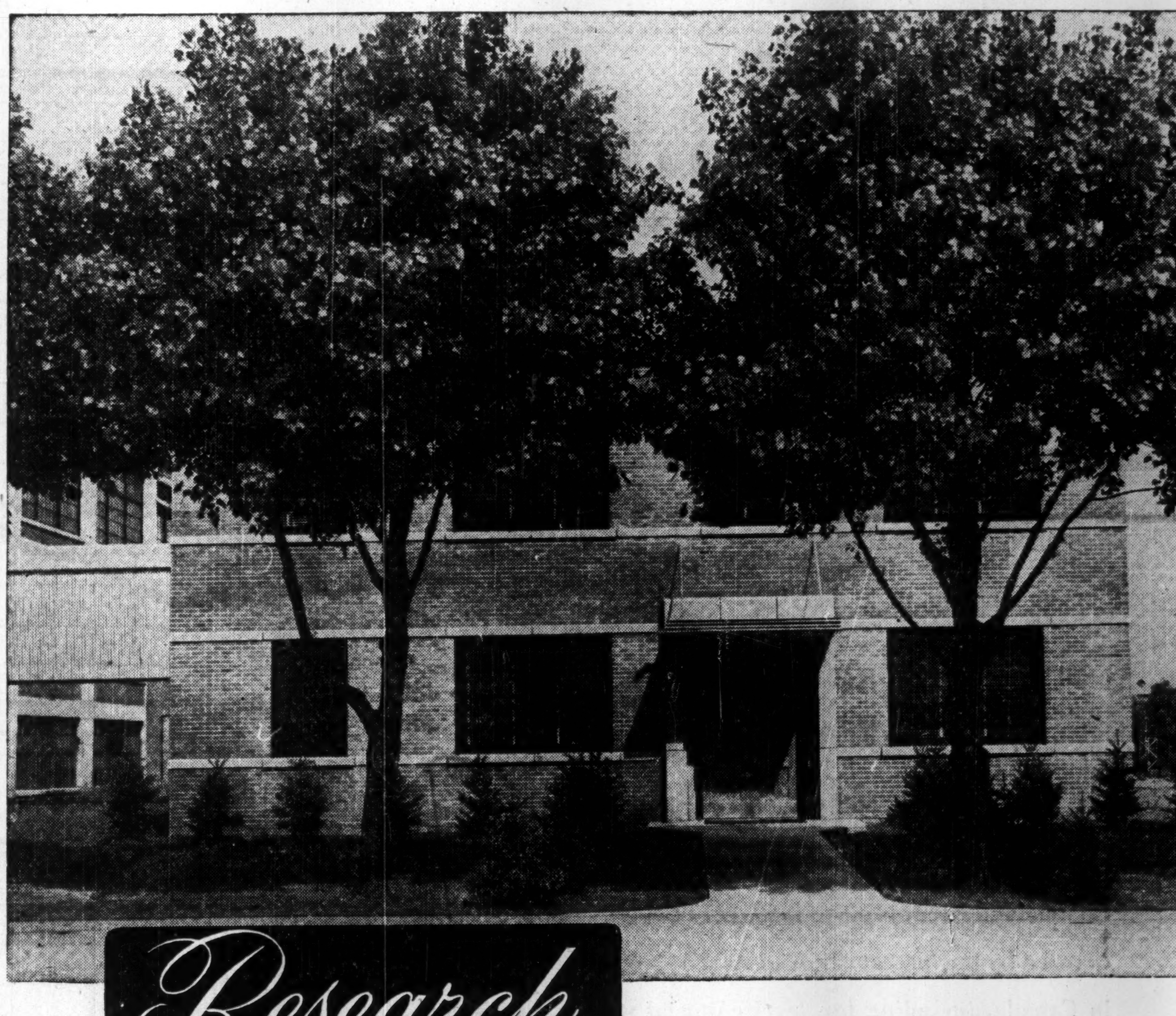

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Because the object of research is to produce new or better products at lower cost to the consumer, its principal effect is to create and increase demand. Thus research stimulates production and gives employment to workers.

Research is today—more than ever before—a vital factor in the forward march of Canadian industry.

It is concerned with the problems of the present and the hopes of the future. It not only provides immediate improvements where needed but also supplies the most practical approach to long term progress.

Very much alive to these facts, Canadian Celanese has recently augmented its Technical Research Staff and opened, at Drummondville, a newly-constructed Research and Development building, as pictured above. This building contains the finest and most complete equipment available in the world today, providing every facility for the development of new products—new methods—new *ideas!*

For Celanese started as an idea . . . and it is *through* and *by* ideas that this company has grown and prospered. That is why . . . in this company . . . the accent is always on research—that vital industrial force *which creates demand!*

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CANADIAN CELANESE LIMITED

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*Reg. Can. Trademark

Businessmen Look at 1951

(Continued from page 12)

province, the Commission has caught up with primary power requirements in northeastern Ontario. Similarly, in the northwestern part of the province, the power situation was greatly relieved with the placing in operation of the Pine Portage Station on the Nipigon River.

In Southern Ontario, as a result of Hydro's postwar development program which has already added 736,000 horsepower to the system's resources, the Commission had all but caught up with its primary energy demand, but was still deficient at the time of primary peak demand. It is believed that in 1951, available resources will exceed the maximum seasonal peak demand, after 704,000 horsepower of additional capacity has been brought into service.

Our major problem next year is expected to be in the procurement of an adequate supply of labor and material. As is the case elsewhere, our program could be severely hampered by a shortage of steel. In this respect, both we and our suppliers are likely to be completely dependent on federal government direction of available supplies.

* * *

H. E. Sellers
President, Federal Grain Ltd.

Purchasing power in Western Canada should be well maintained through the sale of cereal crops and other diversified agricultural products. As a result business in the Prairie Provinces should continue at a satisfactory level.

While the earlier crop prospects were materially reduced due to frost, nevertheless the cereal production of Western Canada amounted to 853 million bushels, an increase of approximately 200 millions over the previous year. In addition to frost damage, a large percentage of the grain was lowered in grades through unfavorable harvest weather.

The Dominion Bureau of Statistics estimates the gross value of prairie field crops in 1950 at $781 millions, a decrease of $94 millions from the previous season. Any additional payments made by the Canadian Wheat Board during the coming year would be supplementary to the previous mentioned sum.

Western Canada's grain appears to be finding a ready market and international events suggest that this demand will be sustained in 1951.

* * *

G. Harry Sheppard
President, International Business Machines, Ltd.

Canadian business prospects for 1951 are obscure, chiefly because of the recurrent international crises. If some reasonably permanent agreement can be arrived at between the Western powers and the Soviet Union and its satellites, and if Korean hostilities can be contained, or a state of peace arrived at, then Canadian business will certainly go forward. Should such favorable conditions be brought about, a continuing period of healthy expansion can be anticipated. Apart from the foregoing, the major problem facing Canada is to prevent further inflation. Unless this is done, the general price level will inevitably rise.

In this period, Canadians can be relied upon to meet their country's need whatever it may be with their shoulders to the wheel and contribute their full share nationally and in co-operation with other peoples, in solving our problems.

* * *

F. A. Sherman
President, Dominion Foundries and Steel Ltd.

With the terribly dangerous situation facing all of us as members of the United Nations group, and due to Communistic pressure and aggression throughout the world, I am certain all of us feel dazed and helpless. We can only hope and pray that right must ultimately prevail.

Considering all of the above, it is doubtful if anyone should try to forecast business conditions for the coming year. However, as everyone knows steel is in short supply and particularly the flat rolled steel plates and sheets that we manufacture.

Barring unforeseen incidents, the business outlook for the new year is very good and maximum business conditions and employment will be at the highest levels.

We already have modified steel control in Canada but it is my opinion that further controls, including price control will not be used unless such controls are adopted in the U. S.

Major problems will doubtless be the supply of raw materials and our company's position will be greatly strengthened by midsummer with the start of our new blast furnace.

Our present large expansion program is definite proof that we have the greatest possible faith that Canada will grow and prosper at a much faster pace than at any other time.

* * *

C. H. G. Short
President and Managing Director, Lake of the Woods Milling Co.

The prospects for the milling industry for the year are, to a preponderating degree, dependent upon the export demand for flour from Britain and other sources. Export volume in the recent years has shrunk, and is still shrinking, closer to prewar level. This fact, taken in conjunction with steadily increasing cost of production, is a bullish factor in respect to domestic price levels.

Inasmuch as the government's policy has tied in the domestic price of wheat with the International Wheat Agreement price, domestic prices are the largest extent (that is, to the extent of the wheat cost) dependent upon the ability of the sellers to keep prices at or near the maximum basis of $1.80 (U. S. funds) per bushel, against the buyers' pressure to bear price to or closer to the minimum of $1.40 (U. S. funds) per bushel. Price levels are, therefore, utterly dependent upon developments in the international situation. Unfortunately in the event of an urgent and emergent overseas need arising for Canadian flour, the lack of milling grades of wheat available in requisite quantities — owing to the grave deterioration of the crop — many preclude the Canadian mills from operating beyond limited capacity.

* * *

A. E. Silverwood
Chairman, Silverwood Dairies Ltd.

The year 1950 has been one of accomplishment despite the stress and strain of the international situation. Many contributions have been made to the economic strength of our nation, production capacity and supply of housing have been improved as well as new resources discovered and increased.

The year just closed has reflected a high level of business activity and a peak level has been established in both production and consumption. In certain districts a slight decline has been experienced in milk production but this is understood to be of a temporary nature, while the Dominion-wide production is reported to be equivalent to that of the previous year.

In recent months the prices on all dairy products have shown an increase, chiefly caused by the increased return to the primary producer and the demands of labor. This increase in price level is much less than in the case of all other foods, while wage levels and family incomes have also increased.

In prospect, 1951 should be a year of progress and prosperity, with a maintenance of the present level of employment, domestic economy and business activity and with the prospect of improved export trade demand. The Dairy Industry in line with industry generally in Canada should continue in this new year to contribute substantially to the growth and development of our nation.

* * *

W. Dent Smith
President, Terminal Warehouses Ltd.

All forms of transportation service will be taxed to capacity in 1951. Requirements of the armed forces will doubtless pinch the supply of motor transport equipment, but the essential nature of this road service will compel production and availability of units required for the industry. As the price of all items entering into roadway transport operations, such as wages, equipment, fuel, tires, and repair parts, have increased largely in the past year and the end is not yet, some further upward adjustment in freight rates in inevitable. The motor transport industry, which responded so valiantly in the recent rail strike paralysis, is prepared in every way to fulfill its obligations in the national emergency which faces us.

* * *

Glen J. Spahn
Second Vice-President in charge of Canadian Head Office, Metropolitan Life Insurance Co.

Life insurance sales during 1950 were at a high level—a continuation of the trend of the last four years—with the last four months of the year recording substantial increases over 1949. This seems to indicate that Canadians continue to rely on themselves for their personal and family financial security. They still recognize life insurance as a sound medium for building an estate, and in the face of a dollar with a lowered purchasing power are increasing their life insurance to compensate for the rising price level.

It seems safe to believe that these considerations may well extend into 1951 and be a stimulant to a favorable life insurance market. However, the uncertainty of the international situation clouds the picture for the coming year. Further rises in the cost of living and increased personal taxation may discourage life insurance sales. On the other hand, in such time of stress people look more favorably towards increasing their life insurance, and the situation might accelerate the whole field of personal savings.

Low interest rates still prevail with their marked effect upon the cost of life insurance. As we move into an era of high defense spending, it is not unlikely that less money will find its way into mortgage loans. Likewise, the growing requirements of a defense economy for additional plant facilities and working capital will increase the demand for long term money. Such developments may tend to reduce rather than to increase the composite yield on insurance portfolios.

* * *

G. L. Stewart
President, Imperial Oil Ltd.

The year 1951 promises to bring many problems for industry, their extent and complexity depending upon the size of the preparedness program. Barring restrictions of unforeseen severity, the petroleum industry can look forward to a further substantial gain in the over-all demand for petroleum products. This growth arises from the substantially increased motor vehicle population, the rapidly growing use of oil for heating purposes, and railroad conversion from coal to oil.

As a result of the completion of the necessary transportation facilities, Canadian crude oil production will be more than 50% higher during the coming year and will meet approximately one third of Canada's total crude requirements as opposed to about one fifth in 1950. Despite this expanded outlet potential crude production in the prairies will still exceed the market and the objective of the industry will be to provide additional facilities for moving the crude beyond the prairies. During the year the industry will complete substantial additions to its refining capacity.

Normally, Canadian prices for petroleum and its products are determined by competition in world markets. It is difficult to predict the course of world prices during the coming year but rising tanker costs threaten to exert some pressure on prices. Apart from the effect of external influences prairie consumers will receive price benefits when Alberta crude begins to flow to Ontario refineries with the opening of navigation in the spring.

* * *

J. G. Stewart
Vice-president and General Manager, Canadian Bank of Commerce.

International events, as they now appear to be shaping up, will exert the major influences on Canadian business for the year ahead. Against the background of a declaration of national emergency in the United States, we now must consider commercial trends in this country.

Whether or not our economy will be integrated as far as possible with the United States; whether or not we will be forced into a controlled economy, as in the United States, in the next few months are matters of political as well as economic significance and defy prognostication at this time. It is not unlikely that American decisions will influence Canadian activity, and hence the pattern of Canadian business for the coming months may be influenced by decisions beyond our immediate control.

Broadly speaking, the major emphasis for the coming months will centre upon preparedness and military assistance.

Irrespective of how the program unfolds, it is likely that we shall be influenced by integration of production, allocation of materials and manpower, and other objectives, so there seems to be little doubt that business will be fully occupied, although fringe businesses may suffer stresses and strains.

The Canadian economy now shifts into a dual role: that of meeting civilian as well as military requirements. While our industrial expansion of past years makes it possible for us to withstand the initial shocks of conversion to preparedness, it is unlikely that inflationary pressures can be completely subdued. If we are to combat the impact of price increases then it is essential that the public moderate their demands upon available goods, otherwise buying beyond immediate needs may result in price increases in the next few months and assuredly bring controls into operation.

Categorically I would say that our resources—men and material—will be utilized fully in the months to come and that we may expect heavier taxation.

* * *

C. C. Thackray
President, Rubber Association of Canada.

The tense international situation makes the prospects for the rubber industry in 1951 uncertain in several important respects. Ninety-five per cent of the world's natural rubber is produced in the Far East. It is anticipated that if all-out war comes, the sources of most of our natural rubber will be lost and as, in spite of synthetic rubber, natural rubber remains essential for many vital products, the rubber industry will immediately be subjected to many problems not unlike those of the last war.

Even if efforts to prevent the Korean War from spreading are successful, the outlook is uncertain. The United States Government has already imposed restrictions on inventories and consumption of natural rubber and may even take control of buying for all U. S. requirements. Presumably, such measures in the United States will have repercussions in Canada.

It would appear that the price of natural rubber, which during 1950 soared to heights unequaled since the 1920s should come down in 1951 as U. S. synthetic rubber plants come back into production, but the decline will probably be limited by heavy U. S. buying of natural crude for defense stockpiling. Late in the year, additional supplies of synthetic rubber from Polymer Corporation should assist the Canadian industries to stabilize costs.

Come what may in the international scene, Canada should experience a high level of industrial activity in 1951, and while this condition prevails, the rubber industry, in spite of difficulties, will also operate at a high level of activity to supply products in peace or war.

* * *

Dr. John F. Thompson
President, International Nickel Co. of Canada.

It is expected that nickel output by the Canadian producers, International Nickel and Falconbridge Nickel Mines Ltd., for 1950 will approximate 250 million pounds.

International Nickel's production of nickel for the past six months has been maintained at maximum capacity. This has only been possible through a development and expansion program to provide greatly increased underground ore facilities to replace open pit ore, depleted during World War II. The broad mining development and expansion program has entailed expenditures in recent years of some $90 millions, of which over $40 millions have been spent since the end of World War II. This program will require further large capital expenditures during the next several years to permit maintenance of current capacity production of nickel as the end of supplies from the Frood-Stobie open pits approaches.

* * *

H. M. Turner
President, Canadian General Electric Co. Ltd.

Canada can feel a justifiable confidence in her electrical industry during the strenuous days ahead. The strength of our economy and defense effort will continue to be based, in considerable part, on the effectiveness of our electric utilities and manufacturers.

The contribution of the electrical manufacturing group during the coming months will be determined largely by international developments. The prospect is for a year of great activity with increased emphasis on the needs of national security. The industry is already playing a direct part through the production of equipment for the armed services. Important also is its indirect participation in the defense structure through the capital goods it supplies for utilities and industry.

The extent to which it will be possible to maintain the flow of electrical consumer goods will depend largely upon the amount of raw materials, principally steel and base metals, made available for their manufacture. Indications are that, unless the situation worsens, production of appliances and other domestic products in common use will be maintained at a fairly high level. This one considerable segment of the industry should not be considered "expendable," for it has an important part to play in an "armed camp economy" which seems to be our prospect for some time to come. Provision should be made to serve not only the more urgent part of existing demand but the needs of the increase in population, immigration and the special requirements of camps and defense housing.

* * *

J. L. Trumbull
President, J. L. Trumbull Ltd.

We entered 1950 on a very high market on both tea and coffee. There have been fluctuations through the year, but we close on a much higher price level as far as coffee is concerned than we did in 1950.

Primary costs on both tea and coffee benefited by the improved purchasing power of the Canadian dollar, which has had some benefit in lowering the consumer costs.

World consumption on coffee is equal to world production, and the same is practically true with tea, so with this equal balance of supply and demand places the producing countries in a very strong position. Tea and coffee consumption in Canada has been well maintained, as evidenced from our imports. We cannot see at this time any possibility of lower markets, and should the seriousness of war increase no doubt rationing and price control will become effective.

* * *

J. C. Udd
President, Sheraton Hotels Ltd.

In my opinion, the hotel outlook for volume in 1951 is decidedly good. Loss of 10% premium to U. S. tourists can be somewhat offset by continued, concentrated "selling" of Canada's attractions by Canadian and provincial travel bureaus, supplemented by the efforts of individual operators and the industry as a whole. Our own promotional effort will be considerable.

In view of the ever-increasing integration of Canadian-U. S. defense, the extensive defense program traffic should not be overlooked.

There seems little doubt but that both here and in the U. S. employment and income will maintain current high levels.

The cost trend continues upward, affecting hotelmen particularly in materials, supplies, labor and replacements. Supply is also being affected by the defense program, and this problem may even become acute in 1951.

Due to rising costs, particularly that of food, careful consideration will have to be given advance commitments on sales.

* * *

William A. Wecker
President, General Motors of Canada.

The business trend in 1951 will be influenced by the extent to which any orders for defense materials encroach upon our production capacity. On this point there is considerable uncertainty. If the program of defense production does not turn out to be too onerous, the country can anticipate continuance of prosperous times because there is a heavy demand for consumer goods of all kinds. Our own industry, for

(Continued on page 21)

HARRY PRICE
INSURANCE
AGENCIES LIMITED
TORONTO • WINNIPEG

THE SAFE ENCLOSURE
FOR ALL MESSAGES
BARBER-ELLIS
ENVELOPES
A SIZE AND STYLE FOR EVERY PURPOSE
BARBER-ELLIS

183% more
STELCO
THE MARK OF QUALITY
STEEL
than 10 years ago!
...and even that is not enough!
1939
1949

Canadian industry grows... and grows on steel.

More construction, more automobiles, more freight cars, more semi-durable goods of all kinds... and Canada's expanded oil industry — all these demand steel and still more steel.

Furthermore the demand for Canadian made steel has been increased this past year due to the inability of some Canadian consumers to secure a portion of their needs from customary United States sources. Imports of steel in 1950 decreased by more than 50%.

To meet the challenge of Canada's growing demands, Stelco has almost tripled its yearly production of steel since 1939.

During the past several years it has invested nearly $40,000,000 in the expansion of its mills for the production of plates, hot and cold rolled sheets and tin plate. This has made it possible to produce flat rolled forms (for which the demand is particularly heavy) at a rate of well over half a million tons a year. Other expenditures for the improvement of Stelco's plant and manufacturing facilities bring the Company's total investment during the past 10 years to a total of over $65,000,000.

Stelco is producing more steel — 183% more per year than in 1939. But, despite this record breaking production, there is still not enough to go around. It is the unusual and extraordinary demand by all classes of consumers occurring at the same time which has produced the situation now confronting the steel manufacturing industry.

Stelco will continue to bend its every energy and resource to cope with this mounting problem of steel supply.

STELCO
THE Steel Company
OF CANADA, LIMITED
EXECUTIVE OFFICES: HAMILTON—MONTREAL
SALES OFFICES: HALIFAX, SAINT JOHN, MONTREAL, OTTAWA, TORONTO, HAMILTON, LONDON, WINDSOR, WINNIPEG, VANCOUVER
J. C. PRATT & CO. LIMITED, ST. JOHN'S, NEWFOUNDLAND

"CUTTING IN"
causes
ACCIDENTS

"CUTTING IN" ahead of a moving tram, particularly during winter months is dangerous.

BE CAREFUL

Even a slight collision may result in serious injuries and considerable damage.

THE OBSERVANCE OF SAFETY PRECAUTIONS ON STREETS WILL GREATLY DECREASE THE NUMBER OF ACCIDENTS.

Montreal Tramways Company

EATON'S

Clearance! Reg. 9.95 to 15.00

Manufacturer's Clearance! Away Below Usual Price!

Half Usual Price! Ordinarily 4.98!

Half Price! Reg. 13.95 to 24.50

Let's have a frank talk about "Comparative Prices" ... and what they mean in EATON advertising!

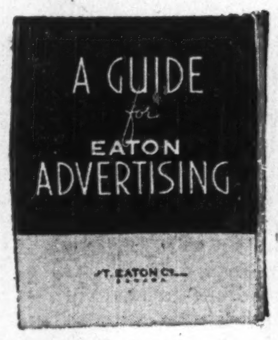
Comparative prices are common currency in advertising. They're expressed in many ways, in terms like "Regularly" —"Ordinarily"—"Originally"—"Made to sell for"—"Worth twice the price"—and so on... phrases that are sometimes meaningful, sometimes misleading, often hard to prove or understand.

We would like our customers to know how we at Eaton's use comparative prices in our advertising... how we limit their use by strict regulations to ensure that their meaning will be consistently clear:

- When we quote "comparative prices"—that is, compare an Eaton special price with the ordinary price prevailing—a thorough survey is made of the local market, to make certain that the special price to be quoted is substantially lower than the price at which this article is presently being sold in other stores as well as our own. Only when this condition is fulfilled will we quote comparative prices in our advertising.
- Whenever we quote a "regular price," we refer to the last price at which the merchandise was sold at Eaton's... even though that price may have been a reduction of an earlier "regular price." Thus, if we sell an article at 4.95, reduce it to 3.98, and later on reduce it to 2.98—it will be advertised as "Regular 3.98, Special price 2.98."
- If we advertise an article "Regular 4.95, Special Price 3.25," we mean that this same article has been selling for some time on our counters for the regular price and has been reduced for some specific reason, which we state—such as "ends of lines," or "broken sizes," or "discontinued styles."

These strict limitations on the use of comparative prices represent only one of the many rules we rigidly adhere to in order to safeguard our customers' interests. There are many more—some of them are quoted on this page. We offer them as evidence of our belief that facts speak louder than fancies, and sincerity is worth more than sensationalism!

- If we say that a fabric is wool-and-cotton, we mean that it contains more wool than cotton—if it contained more cotton than wool, we would call it cotton-and-wool.
- If we say that a dress is washable, that a shirt is shrink-resistant, or a drapery fabric colour-fast, we know these facts are right because we have put the materials through exacting tests in our own well-equipped Research Labs.
- If we use the name of an animal to describe a leather, (pigskin, alligator, antelope), we mean that the leather is made from the hide of the animal mentioned. Where it is simply an effect obtained by processing, we say "pigskin-grained," "alligator-grained," "antelope-finished."
- If we describe an article by the place of its origin, (Venetian lace, Basque berets), we mean that it was actually made in that country. Imitations are always qualified—as "Venetian-type lace," or "Basque-style berets."
- When we use the term "cut glass," we mean that the design has been entirely made by a cutting implement. Glass with moulded designs finished on a cutting wheel is described as "pressed and cut."
- If we advertise furniture as "solid walnut," we mean that the fronts, sides, tops, legs, posts, mirror frames and all exposed parts are of solid walnut. If stained birch or gumwood is used, the description must be "Birch (walnut finish)" or "Gumwood (walnut finish)."



This is the text-book that guides our advertising writers in everything they say about our merchandise. It lays down hard-and-fast rules against exaggeration and misrepresentation, helps us to keep our advertising accurate and true!

In these, and in many other ways, we work hard to keep our advertising clear and true and accurate because we value above all things your confidence—and we safeguard it by sticking to this simple, straight-forward rule:

EATON ADVERTISING MUST MEAN WHAT IT SAYS... AND SAY WHAT IT MEANS!

T. EATON CO. LIMITED

STORE HOURS: 9 a.m. until 5 p.m. SATURDAY 9 a.m. until 1 p.m. Telephone Order Service opens at 8.45 a.m. Dial TR. 5111

ACCURACY— first consideration in every EATON Ad!

When we advertise CUT GLASS we observe a strict rule!

★ When we use the term "Cut Glass" we mean that the design was made entirely by a cutting wheel or other cutting instrument. If the design had been first pressed then polished on a cutting wheel we would describe it as "pressed and cut".

★ This is one of the many ways in which we apply the rule that **EATON ADVERTISING** • must mean what it says • and say what it means!

ACCURACY— first consideration in every EATON Ad!

When we quote PLACES OF ORIGIN we always qualify imitations!

★ If we describe an article by the place of its origin (Venetian lace, Basque berets, etc.), we mean that it was actually made in that place. Imitations are always qualified—as "Venetian-type lace" or "Basque-style berets."

★ This is one of the many ways in which we apply the rule that **EATON ADVERTISING** • must me[...] • and say[...]

ACCURACY— first consideration in every EATON Ad!

When we quote REDUCED PRICES we have a clear policy!

★ When we advertise a reduction from a "Regular Price" we mean the price at which this article sold on our counters before the reduction was made; and we state specifically the reason for the reduction — such as "ends of lines," "broken sizes," "discontinued styles."

★ This is one of the many ways in which we apply the rule that **EATON ADVERTISING** • must mean what it says • and say what it means!

ACCURACY— first consideration in every EATON Ad!

When we quote NAMES OF LEATHERS we make clear distinctions!

★ If we use the name of an animal to describe a leather (pigskin, alligator, antelope, etc.), we mean that the leather is made from the hide of the animal mentioned. Where it is simply an effect obtained by processing, we say "pigskin-grained," "alligator-grained," or "antelope-finished."

★ This is one of the many ways in which we apply the rule that **EATON ADVERTISING** • must mean what it say[s] • and say what it mean[s!]

ACCURACY— first consideration in every EATON Ad!

Before we advertise TREATED FABRICS we test them ourselves!

★ There are a variety of finishes which have been developed in order to render them "crease-resistant", "shower-repellent" or "shrink-resistant". Before we will use any of these terms in our advertising we test the fabrics in our own Research Bureau to make certain that they measure up to the claims made for them.

★ This is one of the many ways in which we apply the rule that **EATON ADVERTISING** • must mean what it says • and say what it means!

"FRANK TALKS"

that brought us closer to our Customers!

During the past year we have made a point of informing our customers about some of the rules which we apply at Eaton's, and by which we endeavour to keep our advertising fair and accurate, to avoid ambiguity and misunderstanding concerning our special-price policies. These rules—which had to do with description of contents, countries of origin, fabric and material qualifications, and such things as "regular" and "comparative" prices—are all rules of long standing, though hitherto unpublicized; their publication was greeted with approval by both individuals and business groups across the country.

We feel certain that these messages helped to consolidate and reinforce the confidence of our customers—the confidence of Canadian shoppers from B.C. to Newfoundland, in the store whose unchanging policy during the eighty-one years of its existence has been based on the all-embracing Guarantee of "Goods Satisfactory or Money Refunded."

EATON'S — CANADA'S LARGEST RETAIL ORGANIZATION

STORES AND ORDER OFFICES FROM COAST-TO-COAST

The Financial Post

Vol. XLIV | Member of Audit Bureau of Circulations | Publication Office: Toronto, December 30, 1950 | Fifteen Cents an Issue, Six Dollars a Year | No. 52

What's the Outlook for Business in 1951?

Special Post Survey of Prospects As Seen Industry by Industry

As of this week, here's the outlook in major industries and commodities, as compiled by staff writers of The Financial Post. How much more pressure there will be, where new peaks and valleys may come, will depend on how much war and how much defense.

Strategic Materials

STEEL — Steel — more steel — and still more steel. The mills are turning it out faster — and the customers are screaming louder. There'll be no letup in '51. What's likely is full controls early in the year, with cutbacks on civilian items to provide the 700,000 tons now estimated for high priority esesntials like shipbuilding, pipelines, defense orders. We'll get a little more from expanded Canadian capacity, some from U. S. But it won't be enough.

LUMBER — A boom year, but at what prices and for whom, lumbermen aren't sure. Among government, industry and housing, there'll be big demand. Labor scarcity may cut supplies; prices aren't likely to come down.

RUBBER — The rubber industry is watching Korea anxiously: if the war spreads, and they lose the Far East natural rubber supply, they'll have the same problems as 1942-45. Washington has restricted inventories and industrial consumption of natural rubber; there's hope for lower prices (now at 30-year high) as big U. S. World War II synthetic supply comes back into production in 1951.

CHEMICAL — Look for a continuation of the long-term growth programs of most chemical companies, whether it's peace or war in 1951. Indications point to even higher output than in 1950 despite tough supply problems and upward price trend.

PETROLEUM — More oil will be produced in Canada in 1951 than ever before. With new markets available through Interprovincial Pipe Line facilities, a production of 45 million bbl., worth more than $100 millions is expected for the year. This would compare with 1949 estimated output of 28 million bbl.

Developed daily oil potential in Alberta-Saskatchewan fields would permit an even larger production and movement of crude oil if facilities were capable of taking the crude to market. Canada's 1951 crude output should meet about one third of the nation's oil requirements — against one tenth before Leduc was discovered in 1947.

BASE METALS — Prospects for base metal earnings for 1951 are even better than 1950, in spite of increased taxation. With prices high and demand keen, efforts will be made to expand output still further. The Sudbury nickel-copper belt is expected to show a larger production, and a modest rise is possible for major producers like Consolidated Smelters, Noranda, Hudson Bay. Larger output is foreseen from new operations, with Yale Lead & Zinc and several others laying production plans.

PULP AND PAPER — All branches of the pulp and paper industry will continue at capacity levels (barring shortages such as sulphur and manpower); prices may go higher. Pulp supply situation will be aggravated by expanding preparedness using paper and board for containers, etc. Overseas markets will continue pressure to get more from Canada.

AIRCRAFT — There's a backlog of well over $200 millions in government orders for warplanes. All the indications are that more are to come. That's the main reason aircraft industry in 1951 will be well on the way back to its wartime role as one of Canada's major industries. The upswing is under way now: In the last six months employment jumped from 9,500 to over 12,000. Avro had 3,600 last June; expects 10,000 by 1952, working on the current order for 100 CF-100 jet fighters. At Montreal, Canadair is getting into production on orders for U. S.-type Sabre jets.

Consumer Goods

AUTOMOBILES — Civilian automobile production may be lower as steel and other car making materials are funnelled into defense projects. If the industry gets big defense orders, there will be some layoffs while the changeover is made to war vehicles. This period could last from four to six months. Meanwhile, General Motors is planning a higher output for 1951; others are expected to set production line speeds for slightly lower output.

COTTON — Record demand for cotton goods to continue well into 1951, due to domestic and defense consumption. Imports from U. S. down; their preparedness program is expected to take all their surplus, so that no great inrush is expected when we drop last of import controls Jan. 2. Further price increases likely in most lines.

ELECTRICAL APPLIANCES — Our $500 million electrical appliance industry should keep up 1950's record pace through 1951. Here's why: Until more materials are siphoned off for preparedness, it will keep up the output of civilian goods. When (and if) the output of civilian goods is cut down, defense orders (the emphasis on generators, motors, electronic equipment, etc.) will mean full-out production. If they have to slow down on civilian goods, dishwashers, disposals, television, etc., will go first.

WOOLEN, KNITGOODS — Defense orders on top of civilian demand will keep woolen mills busy; they'll be blending more (e.g., rayon and wool) to keep costs down, because they can't yet see the end of rising raw wool prices, now at a record. There will be higher price tags on their products in store shelves next spring. Company earnings aren't likely to move up in line with higher operating tempo because of higher operating costs and the fact government orders are on narrow profit margin.

RETAIL TRADE — Where will cutbacks on civilian goods come first, as we move into preparedness? That's what retailers are asking. Apart from automobiles, furniture, appliances and radios, the rest of retail trade in 1950 was behind 1949. If those lines are cut back, people may have more to spend on other things. Credit curbs on the big items may work the same way. All in all, dollar volume of retail trade will likely be higher next year, with higher prices, and more small, marginal firms caught in the squeeze.

Food and Farming

AGRICULTURE — Assuming co-operation from the weatherman, farmers' net income should be about the same next year as this. Operating expenses may rise, but strong demand will keep food prices up. Grain prices may be the exception; they're lower now by international agreement than at the start of 1950. Canada-U. S. demand for livestock products will bolster feed grain prices.

FARM IMPLEMENTS — Shortage of farm labor will help maintain demand for farm machinery. If they can get the steel, implement makers look for another big year. If steel gets much scarcer, emphasis may go on parts, to keep existing machinery going.

FISHERIES — Market outlooks on the whole are good; improved dollar supplies abroad encouraging exporters, except on salt fish to Europe. West Coast salmon canners bullish on 1951; Atlantic Coast fish supplies should be normal as 1951 gets under way, though weather has hampered some fishing. Preparedness demand for tinplate might cause bottleneck at canneries.

FLOUR MILLING — There's little prospect that we'll sell more flour abroad in 1951; that means continued keen competition at home, and a gloomy outlook for the millers. Bakers' prices for flour in some instances, the millers claim, barely cover actual milling costs, leave no margin for administration and overhead. Britain this fall took flour at a faster rate than was indicated by her commitment to take 300,000 tons this year,. but the millers are afraid deliveries will be cut or drop off n completely in the spring.. War could change al lthis.

Finance and Investment

BANKING — Sustained demand for bank credit likely to finance stocks of merchandise and raw materials at higher prices; bank interest rates to remain steady. Savings deposits flattening out as higher cost of living absorbs greater proportion of income. Bank costs to rise, pushed by upward trend in bank salaries.

COMPANY EARNINGS — There are three big "ifs" in the company earnings picture: raw material supply, manpower, taxation. Given the first two, earnings before taxes should be as good as, if not better than, 1950. Here's another way to look at it: primary iron and steel producers and base metals should have record years; nonessential producers and luxury lines may have a tighter squeeze. Net profits after taxes? That will depend on Ottawa, but it seems safe to assume the taxes will be higher.

LIFE INSURANCE — Upward curve of life insurance sales likely to continue into 1951, peace or war. Company policy still remains mixed on the problem of war clauses in new contracts. Recent changes in insurance investment laws may bring more diversified investment policies and some increase in returns.

FIRE AND CASUALTY INSURANCE — Higher values of buildings, goods and commodities are expected to bring larger volume of fire insurance business. On car insurance, new car registrations will hold the key to size of increase. Improved loss ratio is likely to follow recent adjustments in premium rates and tightening up of financial and safety responsibility laws.

MUNICIPAL FINANCING — Is it essential? Or can we put it off? Those are the questions cities and towns will have to decide on capital projects for 1951. On their answers will depend the volume of financing they do. Without preparedness and the accompanying scarcities of steel, materials, manpower, they might have passed 1950's postwar record of $175 millions new money. When they do borrow, they may pay a little more for their money.

STOCK MARKETS — There will be wide market fluctuations as imminence of war flows and ebbs, with heavy volume (probably more than 1950) for these reasons: expanding pensions funds, trusts and other institutions buying into sound stocks; by all traditional yardsticks, most commons are still far from overvalued. That will help counteract feeling profits (after taxes) may be lower, and dividends smaller. The favored stock groups are base metals, steels, rails and heavy equipment. Seldom, if ever, have common stock holdings generally been in such strong hands.

TRUST & LOAN — Trust companies look for growth as higher taxes, more controls tend to swing more business their way; more activity in pension trusts in sight. A big problem: counteracting the declining buying power of the client's dollar. They're finding it necessary in many cases, to get out of fixed income securities into high-class common stocks. In the loan departments, higher credit controls and material shortages may reduce demand for mortgage money.

Mines and Oils

GOLD MINES — The gold mining industry will do well in 1951 if it equals the 1950 production of $170 millions. Barring the unexpected, earnings will likely be less. Reason: rising costs. Without some increase in the assistance program announced for 1951, six or eight marginal mines may suspend production.

OIL EXPLORATION — Geophysical exploration, test and development drilling continue at peak levels. Expenditures on these activities in the oil industry are estimated at $180 millions for 1951 against $150 millions in 1950. Next year's likely feature: More attention to outlying areas

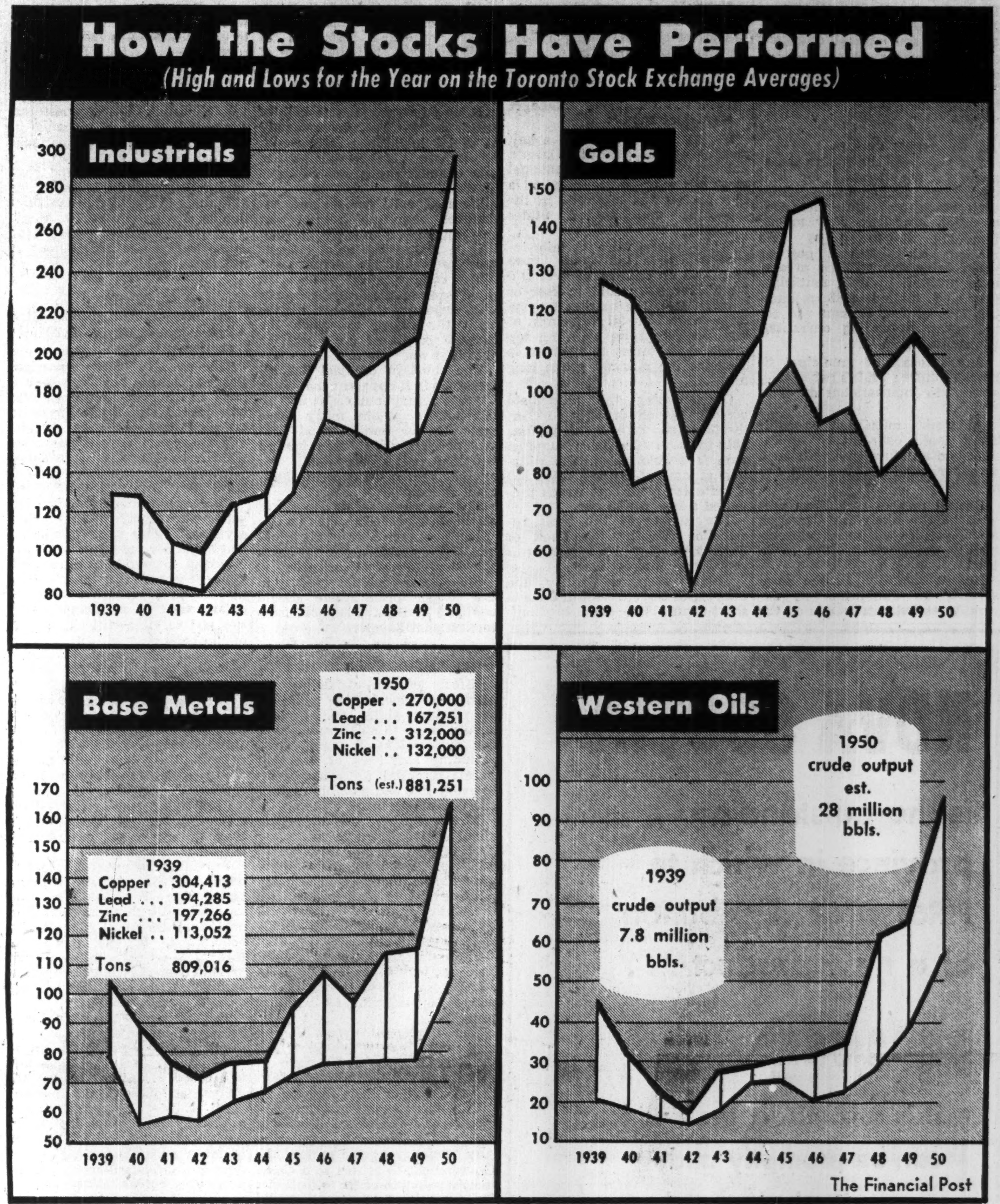
In the Over-all Picture

ADVERTISING — Whichever way the international situation jumps, don't look for much change in advertising budgets now set for 1951 which, over-all are generally considered to be up to 10% higher in linage and dollar volume than in 1950. Many media report many new advertisers, new products, with strong over-all trend in magazines to full color. Few rate increases in prospect. Many advertisers booking 12-month schedules in case paper shortages develop. Main feature in outlook is great interest being shown by many advertisers in television scheduled to open up in Toronto Sept. next. "Hefty amounts" said available, some at expense of other media. Continuing war clouds, consumer goods restrictions will bring increasing amount of public service advertising with consumer goods industries planning to educate on shortages. Effect of defense preparations so far limited.

CONSTRUCTION — Continuing activity at capacity levels in most branches, although preparedness may shift the emphasis. (See Construction Trends, p. 22.)

FOREIGN TRADE — Will our supply of materials (plus the needed manpower) be adequate to meet home and export

(Continued on page 18)



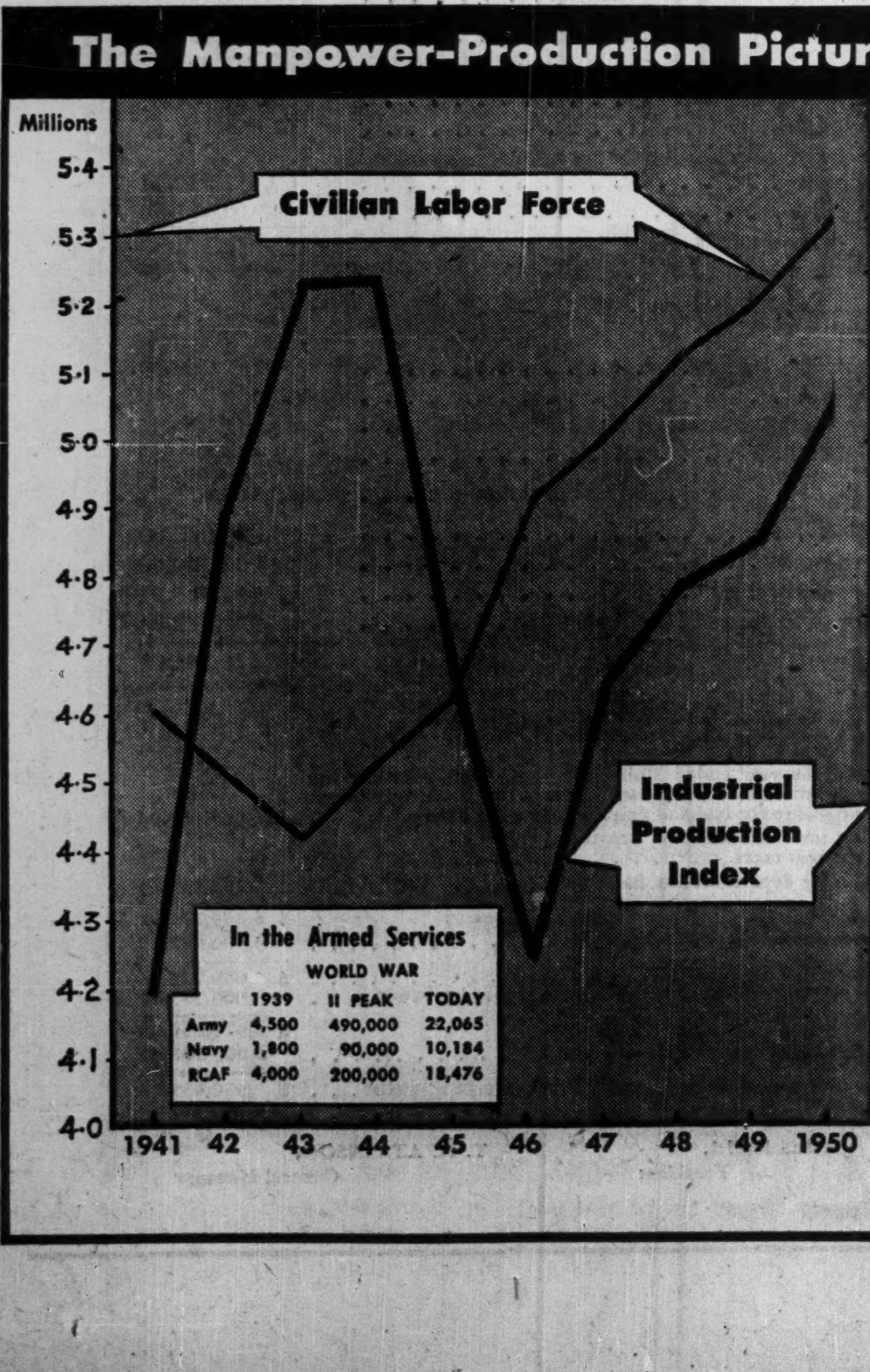
The Pace of Business: 1950, 1949 Compared

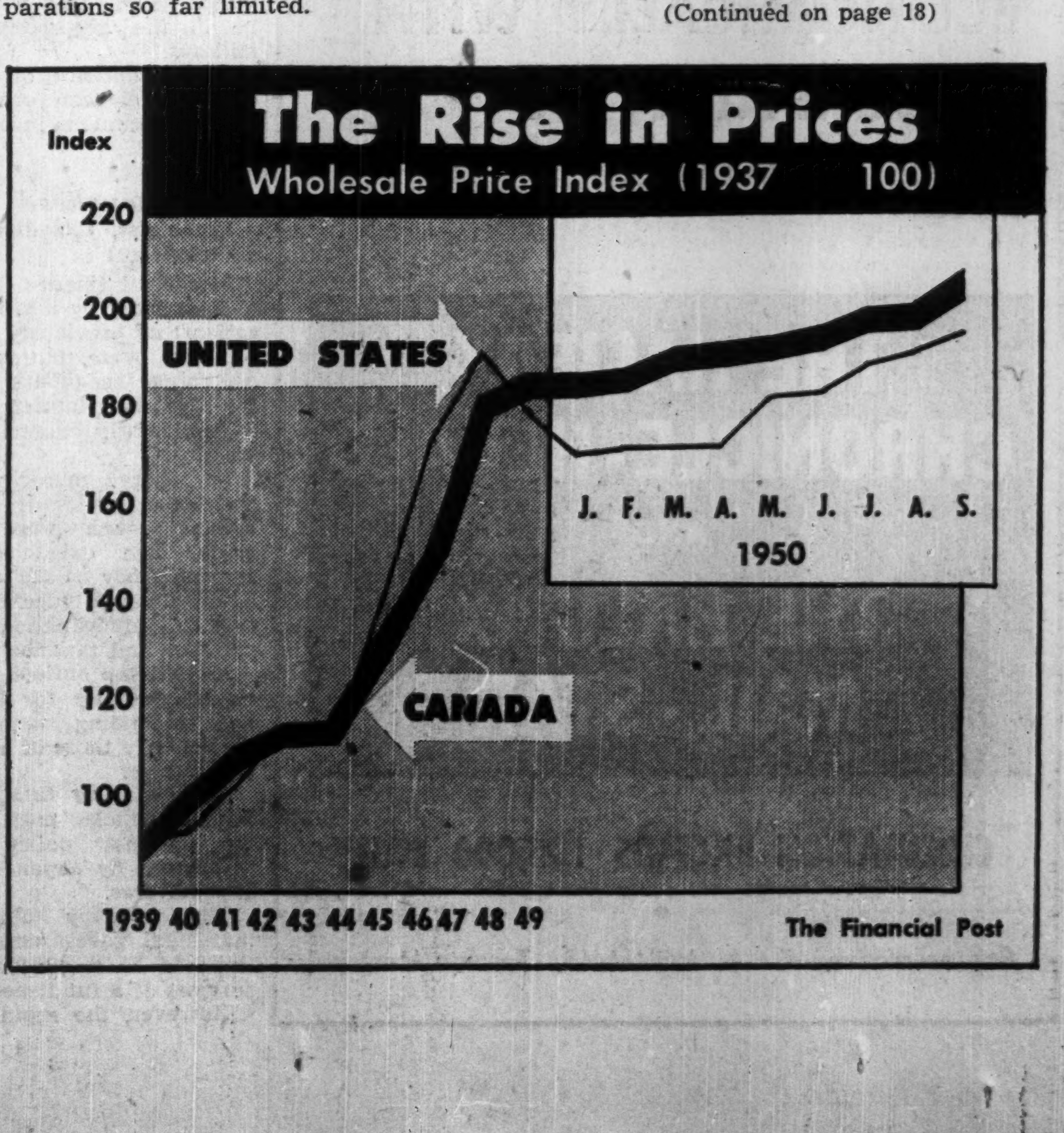
	1950 (est.)		1949
Gross National Product	17,000	—$ millions—	16,074
Net National Income	14,000	—$ millions—	12,917
Exports	2,953	—$ millions—	3,022
Imports	3,012	—$ millions—	2,760
Capital Expansion	1,707	—$ millions—	1,642
Construction Contracts	1,552	—$ millions—	1,140
Retail Sales	7,709	—$ millions—	7,695
Labor Income	7,805	—$ millions—	7,682
Farm Cash Income	2,500	—$ millions—	2,474
Labor Force	5,320	—thousands—	5,200

THE PRODUCTION RECORD

	1950 (est.)		1949
Autos	380,000	—vehicles	290,400
Gold	4,413	thousand fine oz.	4,113
Copper	519	—million lb.—	527
Steel	3,353	—thousand tons—	3,187
Pig iron	2,284	—thousand tons—	2,154

	1950 (est.)		1949
Newsprint	5,328	—thousand tons—	5,176
Power (generated by central stations)	50,023	—million kwh—	42,103
Coal	18,778	—thousand tons—	19,275
Petroleum (crude)	27,063	—thousand bbls.—	22,220
Natural Gas	64,804	—billion cu. ft.—	60,457
Shoes	32,200	—thousand pairs—	36,256
Rubber (synthetic)	45,640	—long tons—	46,644
Washing Machines	267,325	—units—	340,880
Elec. Refrigerators	326,565	—units—	177,840
Radios	832,600	—units—	753,600
Eggs	360,720	—thousand doz.—	343,800
Lumber	6,069.6	—million bd. ft.—	4,890
Sea Fisheries	1,272	—million lb.—	1,177
Carloadings	3,928	—thousand cars—	3,907
Butter	275.1	—million lb.—	278.6
Wheat Exports	157.5	—million bu.—	210.4
Flour Production	20.3	—million bbl.—	20.0





What's the Outlook for Municipal Financing?

Here's How Experts See Task Before Cities, Towns in '51

What is the outlook for municipalities in 1951, especially in the field of finance? To obtain an answer to the question Civic Administration (Maclean-Hunter) put a number of questions to 10 sources well qualified to speak on this subject. Here is a digest of their views which will appear in full in the following January issue of that publication.

A. E. Ames & Co.

The year 1950 showed no abatement in the demand for new money by Canadian municipalities with which to continue their construction programs. New money financing amounting to $175 millions established a postwar peak, being $20 millions greater than in 1949. In 1947, municipal financing totaled $248 millions but 70% of that amount was for refunding. Refunding operations were minimal in 1950.

Any forecast of municipal financing during 1951 is necessarily subject to international developments.

At worst, municipal expenditures could conceivably be reduced to absolute essentials such as experienced between 1940 and 1945.

Should present conditions prevail, it seems likely that Canadian municipalities will spend approximately the same in 1951 as in 1950.

Recent monthly figures foreshadow no diminution of expenditures but restrictions on the use of steel might postpone certain construction and consequently bring about a flattening effect to the rising curve.

Normally the planned program of many municipalities will have the effect of establishing a floor for municipal financing.

* * *

Bankers Bond Corp.

(A. C. Cochrane, Manager Municipal Dept.):

During the first 10 and a half months of the year, the largest amount of Canadian municipal securities ever to be issued in a like period was absorbed in the Canadian and United States markets.

While there were certain instances where individual issues remained on dealers' shelves and were eventually sold at cost or a small loss, the market by and large absorbed all offerings at rates varying from 2½% for top grade short terms to 3½% at a discount for medium grade long terms.

Only during the immediate postwar period of very low interest rates were municipalities able to borrow in such volume on such favorable terms. The situation at time of writing (Dec. 15) is different from that which prevailed a few weeks ago.

The raising of the bank rediscount rate by the Bank of Canada, portended a stiffening of short-term interest rates.

This was followed by the offering of Government of Canada short-term 1¾% and medium-term 2¼% bonds. The 2¼% bonds did not meet with a ready response and dragged on the market and tended to reduce quotations on other issues of a similar term.

As a result of the shock of the reversal in Korea, high-grades moved off a total of approximately two points, pulling municipal quotations down with them.

At present the market will absorb municipal offerings at realistic prices, but the range of buyers is more restricted by a "wait and see" attitude on the part of some investors.

It would be difficult to believe that a stiffening of approximately ¼ of 1% in interest rates would affect any plans municipalities may have for capital expenditures in 1951.

Were it not for outside influences, one could predict that the volume of municipal borrowings in 1951 would be at least as great as that of the current year.

The completion of projects in progress or on the drawing boards will depend to a large degree upon the extent to which the country is placed on a war or "twilight war" footing.

The shortage of steel has already made it apparent that, even without actual controls, it will be difficult to obtain many basic materials for non-essential construction. Should the foreign situation ease, we shall see another year of activity in municipal financing.

The market seems to have established certain definite spreads between high-grade prices and those obtained for different grades of municipal securities.

Municipal securities offered in the proper price range should continue to receive support from institutional buyers.

* * *

Burns Bros. & Denton Ltd.

Effects of the expanding rearmament now taking place in the United States and Canada should begin to make themselves felt during 1951 in many ways, including shortages of the materials essential for construction in every line and possibly restrictions of nonessential building.

These factors should bring about a slow-down in the latter part of 1951 in the volume of municipal financing. Substantial government financing for military purposes would tend to drain off the supply of money which would be normally available for municipal debentures.

These factors however, would be eased to some extent by a reduction in available mortgages due to curtailment of building programs.

The interest rates prevailing on new municipal issues have not yet truly reflected the drop in government bond prices which has taken place since October.

Consequently, interest rates on municipal debentures in the early part of 1951 may very well rise. Any tendency on the part of the Government to return to a cheap money policy in order to facilitate its financing, however, would result in a steadying away of municipal interest rates.

The prices of Maritime and Quebec municipal debentures continue to be out of line with municipalities of the other provinces due to the peculiar restrictions on investment in municipal securities prevailing in those provinces.

Government assistance to municipalities will very probably continue at a high rate, particularly where education, hospitals, and public utilities are concerned.

The Ontario Crown Corporation will probably be more actively concerned with providing funds to Ontario municipalities for water works and sewers and the revolving fund at present operated in the Province of Alberta will render a similar service in that province.

Barring building restrictions, the tremendous rate of school financing in British Columbia will probably continue in 1951 and borrowings for school purposes will probably exceed $20 millions. This should bring the province to a point where future financing will be considerably smaller. School financing in British Columbia during 1952 will probably be in the neighborhood of $5 millions.

The acceptance of debentures of Saskatchewan municipalities should continue to increase during 1951.

* * *

W. F. Lougheed

Economist, Canadian Bank of Commerce:

Municipal finance in 1950 was characterized by a growing realization that previously established practices were, more and more, becoming inadequate to provide for a growing burden of services — particularly distributive services.

For larger municipalities, the problems connected with suburban growth were becoming acute. The exigencies of the situation may be such as to bring about a long-needed re-examination and co-ordination of responsibilities and taxation bases.

In 1951 the outlook is for continued pressure for maintaining and extending expenditures — particularly those of a redistributive nature.

At the same time, municipal finance policies must be guided by national policy presently influenced by expanding defense expenditures.

The primary obligation of municipal government will continue to be to provide property services of a fundamental nature.

However, the rapid growth in municipal costs has not been—and is not likely to be in 1951—from this source, but is accounted for largely by various welfare services. Welfare expenditures cannot logically be financed by means of a property tax, but require instead a tax or taxes related to ability to pay.

The year 1951 may witness more realism in this connection, with greater latitude being given to municipalities to include other revenue sources than those presently existing.

The defense effort, in essence, requires that changes be made in the allocation of expenditures, which will result in a change in the character of the gross national product.

Reduction of nonessential government expenditure is one means of making available more production to the defense sector. Municipal finance policy during 1951 cannot escape the implications of this fact.

* * *

George S. Mooney

Executive Director, Canadian Federation of Mayors and Municipalities:

The over-all 1950 municipal finance picture has been better than good. Many municipalities will record an all-time peak in tax and other revenue receipts due largely to new construction which has added substantial assessable property to most local tax rolls.

Current municipal spending has kept pace with the higher revenue. Higher cost of supplies and materials and mounting wage increases to municipal employees have absorbed the bulk of the new revenue yield. Extension or enlargement of municipal facilities and services will claim most of the balance.

At year's end, most municipalities will show a modest surplus on the current year's operations.

Turning to spending on capital account, municipal public works programs during 1950 will probably exceed that of 1949 when approximately $150 millions was added to the Canada-wide municipal debt structure.

Facilitating the country-wide civic improvement program has been the prevailing low cost of borrowing.

Providing the general economic health of the country is maintained, there is little danger that the currently high spending of municipalities will become a boomerang, but if recessional tendencies set in, both the operating and capital account budgets of many local governments will require a leveling down.

The requirements of national defense spending during 1951 will necessarily be a limiting factor in local improvement programs and will thereby tend to slow up the volume of municipal borrowing.

On balance, this should provide a healthy interim during which municipal governments will seek to lower or cushion their capital debt as a safeguard against future borrowing on capital account.

* * *

Eric Hardy

Director, Citizens Research Institute of Canada:

The major trends recorded for 1949 have been continued through the past year.

Construction of new schools, development of water and sewage disposal facilities, paving programs, and similar capital projects have remained in the forefront. Debenture borrowing for such purposes has continued to mount.

Current municipal budgets have again crept upward supported by heavier receipts from provincial grants-in-aid but held back because of sharpened resistance to increased real property taxes.

There are signs that tax collections are becoming stickier, although unpaid taxes are not yet a serious problem.

While grants have helped the development of educational, health and welfare services, the more direct services to property are still being penalized in an effort to hold down total spending.

In a number of centres, basic services continue to suffer from less than adequate outlays on maintenance.

Through municipal associations and individual appeals, local governments during 1950 brought renewed pressure on senior governments to open up new revenue sources, stressing particularly the case for larger and more stable grants-in-aid.

It would be optimistic, to expect any major financial adjustments to take effect in 1951.

Municipalities will continue to benefit from high-level economic activity in the coming year but, with inflationary pressures, and heavier debt charges based on borrowing already authorized, the current dilemma on revenue sources will make budgeting difficult.

Shortages of materials are sure to cut the capital projects: to what extent, it is impossible to predict.

Certainly 1951 will be a year when proposed capital works must be most carefully surveyed and only the most essential embarked on.

* * *

J. H. Lowther

Director, Public Finance Division, Dominion Bureau of Statistics:

Tax collections have been maintained at relatively high levels during 1950.

Budgets for the year reflected increased spending for current purposes, accounted for mainly by higher prices and wage levels, and it is anticipated that construction programs will exceed the 1949 level which again will result in an over-all increase in municipal debt.

Provincial-municipal relations continued to occupy widespread attention with many of the issues at stake still in the boiling pot. A most important development was the Federal Government's program for payments in lieu of taxes on federal properties.

The outlook for 1951 poses serious problems. Higher taxes are in prospect. Some relief may be expected through increased shares of provincial revenues (sales tax revenues in New Brunswick and British Columbia are to be shared with municipalities) or through implementation of recommendations resulting from provincial-municipal relations studies.

The main interest of larger cities and towns may, however, centre on defense problems and clarification of the role of municipalities in defense planning and preparedness.

Also, with the prospects of a shift in the emphasis of national production from domestic to defense needs, public works and construction programs may again face curtailment on this account.

* * *

J. E. Fortin

Secretary-Treasurer, Dominion Mortgage and Investments Association:

Municipalities, like the people who pay municipal taxes, have been feeling the effects of inflation. Municipal costs have gone up and municipalities have been forced to increase prices (taxes) of the services they render.

And the end is not in sight. Costs and taxes will go even higher in 1951.

During 1950 the full effect of increased municipal costs was not felt in real estate taxes. Part of the increase was taken care of by higher provincial grants to municipalities.

Whether this will continue to be the case is difficult to say. Much will depend on the new tax agreements which the provinces are negotiating with the Dominion Government.

Capital outlays rose in 1950 and as a result debenture borrowings were larger. These will be reflected in higher debt service charges in 1951 and subsequent years.

Many municipalities have plans for large capital works in 1951 but these, because of inflationary pressures and the defense program, should be reduced to a bare minimum.

In recent months the level of interest rates has risen and new debenture borrowings by municipalities are proving more costly.

Prospects are that investors in municipal bonds will become more selective and that 1951 municipal borrowings will have to carry a higher interest rate than those of 1950.

* * *

Lactance Roberge

Director of Finance, City of Montreal, M.F.O.A. Vice-president:

Financially, 1950 has been a very good year for most municipalities across Canada.

An unprecedented high level of business activity has meant for local governments more revenues and still more expenditures.

Nonproperty and personal taxes, such as retail taxes, amusement taxes and others have kept pace with the economy; revenues from real estate, the real backbone of municipal finance, have been lagging.

Collections have been relatively easy and the amount of tax arrears must be generally as low.

The business boom is centred in the construction of homes, plants and business premises; in larger cities whole new sections have been created. From the development of these new sections tremendous problems for local government administrators have arisen.

Sewers, water mains, street pavings and sidewalks, other public services and improvements are urgently needed. Contractors have their hands full and are hampered by a scarcity of skilled manpower, equipment and materials.

These public improvements have been financed to a great extent through the issue of bonds.

In my opinion, in only one respect do municipalities benefit from inflation: as the value of the dollar has gradually shrunk during 1950 the burden of the debt has become corresponding lighter.

In 1951, the impact of the acceleration of the defense preparation economy should accentuate the present trends in local government finance. As the Federal Government will increase direct taxation, there will be more competition for the taxpayer's dollars. Nevertheless, collections will remain good.

Even though construction for peacetime purposes will probably be curtailed, municipalities will experience increased difficulties in furnishing essential improvements to new constructions. Many contemplated public improvements will be postponed. It may be that municipalities will be called upon to expend sizeable sums of money for civil defense purposes.

* * *

James Richardson & Sons

The interest cost to municipalities of borrowing has increased approximately one quarter of one per cent in the past 12 months.

This situation was brought about by: the increased supply, the restricted demand, and an increase in interest rates generally.

It is unlikely that the current rate of borrowing by municipalities will lessen in 1951 since essential services must be provided and extended in our growing communities. However, the availability of materials might postpone some projects and consequently delay financing plans.

With an increased return to the lender, we believe investment funds will continue to take offerings as they come to the market.

The outlook for interest rates generally is dependent upon our Central Bank's operations. Its actions in the past few months suggest that current or even higher interest rates will be the fashion for an indefinite period.

UDL Spends $950,000 On Its Harrison Hotel

Renovations to be made to the Harrison Hot Springs Hotel, near Agassiz, B.C., are expected to cost about $950,000, the 1949 annual report of United Distillers of Canada indicates. These will be financed by advances from the parent company.

Purchase of this hotel by the company was announced in October, 1949, but the price was not disclosed. The company's report shows investment in shares and debentures, at cost, of a subsidiary company at $147,975. Presumably that is the company which owns the hotel.

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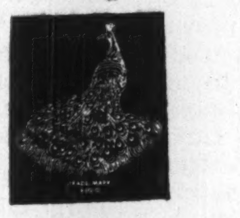

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THE ROYAL BANK OF CANADA

General Statement

30th November, 1950

ASSETS

Notes of and deposits with Bank of Canada	$ 197,717,112.98
Other cash and bank balances	162,064,438.29
Notes of and cheques on other banks	111,331,531.73
Government and other public securities, not exceeding market value	1,042,365,803.19
Other bonds and stocks, not exceeding market value	104,282,016.90
Call and short loans, fully secured	100,004,499.11
Total quick assets	$1,717,765,402.20
Other loans and discounts, after full provision for bad and doubtful debts	688,725,564.27
Bank premises	17,068,704.59
Liabilities of customers under acceptances and letters of credit	69,437,689.31
Other assets	4,378,982.00
	$2,497,376,342.37

LIABILITIES

Notes in circulation	$ 249,989.10
Deposits	2,337,503,468.93
Acceptances and letters of credit outstanding	69,437,689.31
Other liabilities	3,349,328.08
Total liabilities to the public	$2,410,540,475.42
Capital	35,000,000.00
Reserve Fund	50,000,000.00
Dividends payable	915,827.91
Balance of Profit and Loss Account	920,039.04
	$2,497,376,342.37

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1950, after making appropriations to Contingency Reserves, out of which Reserves full provision for bad and doubtful debts has been made		$11,845,138.94
Provision for Dominion and provincial government taxes	$4,012,000.00	
Provision for depreciation of bank premises	1,273,413.83	5,285,413.83
		$ 6,559,725.11
Dividends at the rate of $1.00 per share		3,500,000.00
Amount carried forward		$ 3,059,725.11
Balance of Profit and Loss Account, 30th November, 1949		3,860,313.93
		$ 6,920,039.04
Transferred to Reserve Fund		6,000,000.00
Balance of Profit and Loss Account, 30th November, 1950		$ 920,039.04

JAMES MUIR, President

T. H. ATKINSON, General Manager

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

Newfoundland

More Mink: Plans to promote large-scale mink raising in Newfoundland have been announced by Resources Minister Russell. There are now 60 ranchers in the province. Mr. Russell said that 1,000 ranchers could make $2,500,000 profit yearly at prevailing prices. The Government plans to interest more people in mink ranching, have successful ranchers instruct newcomers. This year the Government spent $32,000 helping each rancher buy a small cold-storage unit for keeping fish for mink food.

Farm Seekers: Vacant farms are offered for sale at $1,000 each in the Upper Humber settlement. More than 300 applications and enquiries have been made. The farms can be bought for $500 down and the remainder on yearly installments.

* * *

Prince Edward Is.

Pulpwood Industry: For the first time there appears to be the makings of a pulpwood industry in Prince Edward Island. During the past month several hundred cords of pulpwood have been exported, and buyers from Quebec, United States and overseas have been looking over the situation, offering to buy all available. Most of the island timber stands are second-grade soft woods suitable only for pulpwood or pit props, but the Provincial Government is becoming interested in improving the wood lots, has appointed a forester and is setting up experimental stations in reforestation.

Largest Plane: Maritime Central Airways of Charlottetown now owns a passenger plane with the largest seating capacity of any in Canada, having bought a 60-passenger Curtiss Commander in Los Angeles for its maritime service. The large twin-engine plane has a 200 m.p.h. cruising speed and a 1,500-mile range. It will be used for both passenger and freight, but not on scheduled flights.

* * *

New Brunswick

Potato Prices: The N. B. Potato Marketing Board has fixed minimum prices to producers. They are $1.25 for 165-lb. of Irish Cobbler or Sebago certified seed potatoes and $1.10 for Katahdin, Green Mountain or other certified seed potatoes. Table stock price of $1 was established for bulk graded potatoes, f.o.b. N. B. shipping points.

Conforms: Starting next year, fiscal year-end for provincial Government will be March 31, same as for other provinces and the Government of Canada. The fiscal year end for N.B. has been Oct. 31. The new system simplifies accounting for federal-provincial projects. Because the change takes place when the legislature will be in session, two sets of estimates will be presented to the house. One will be for the period from Nov. 1, 1950, to March 31, 1951. The other will be for the year from April 1, 1951, to March 31, 1952.

* * *

Nova Scotia

Good Price: Nova Scotia apples sold for as high as $9 a box at auction in Glasgow. They were part of a 200,000-box contract between the N. S. Apple Marketing Board and the British Food Ministry. Nova Scotia growers receive an average of $2 a box regardless of how much the apples fetch in Britain. Two previous shipments sold for an average of $5.48.

Strawberry Export: Nova Scotia is adding another item to its export list. More than 2,000 strawberry plants were shipped to Bermuda recently. It was the second annual shipment to go there. Strawberry plants are expected to be a regular export to the West Indies.

* * *

Quebec

Traffic Violators: Montreal had a record number of traffic court cases this year. The 65,000 figure was 20% greater than last year's. There were 13,000 speeding cases, compared withm 8,238 in 1949. Altogether there were 215,000 traffic violations in Montreal this year. About 130,000 were infractions of parking bylaws.

* * *

Ontario

School Plan: Five years after it was appointed, the Hope Commission issued its recommendations for reorganization of education in Ontario. It proposed a switch from a two-level to a three-level system: elementary, Grades One to Six; secondary, Grades seven to 10; junior college of technical education. The break after Grade 10, when the pupil reaches the school-leaving age of 16, would mark a terminal point and a completed course. There were about 300 detailed suggestions in the 500,000-word report.

* * *

Manitoba

Flood Compensations: Nearly 1,300 Red River Valley farmers have received cheques totaling about $950,000 for flood damage. Cheques were issued by the Manitoba Relief Fund. Compensation covers loss of livestock, and poultry, grain and feed, farm supplies and equipment. Only about 20 claims have not been dealt with. Some of these lacked threshing results and cannot be paid until yields are reported.

* * *

Saskatchewan

Withdrawal: Saskatchewan Guarantee & Fidelity Co., insurance company controlled by the Provincial Government, has stopped operations in Alberta. The company had a license to do business in Alberta in 1948, but after the Saskatchewan Government acquired control the license was not renewed. Application has also been rejected by British Columbia, Manitoba and Ontario.

* * *

Alberta

Schools: Edmonton School Board has called for tenders for construction of four schools to cost a total of $1,650,000. They include three junior high schools and one elementary school.

Punch Cards: Edmonton City Council has decided to install a punch-card system on a rental basis. The machines will dispense with 15 civic employees, save the city $70,000 a year, it is estimated.

British Columbia

Research Building: A permanent building for the B. C. Research Council will be put up on the University of British Columbia campus. The $100,000 structure will be used to study utilization of B. C. products.

What's New

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

Plastic Skis

For the sports enthusiast comes a plastic ski. Hickory wood is fused with plastic top and bottom. This process does away with waxing the skis.

* * *

Talkative Doll

Latest doll to be found under the Christmas tree this year goes much further than just saying "Mama" or crying. This model when wound up can speak 108 words; says nursery rhymes, etc. and ends its speech by declaring it is going to bed, no doubt to set a good example to the kiddies present. Mechanism in doll's stomach causes it to speak.

* * *

Toy Smoke Rings

Another new toy for the new year is a gun made of Tenite plastic with a quick repeater trigger. Into the hinged metal housing is inserted a chemical smoke pellet. Thrust mechanism sends out smoke rings. Danger is eliminated, company claims as smoke is nontoxic and gun is not a fire hazard.

* * *

Glass Paper

New filter paper made of glass fibres is said to be a great improvement on old filters, containing no foreign imports. Paper is resistant to fungus and can be made easily on standard paper mills. With electrical insulating properties, paper will have added use in condensers.

* * *

Rubber Finish

Glass-like finish of natural rubber can be used to renew linoleum, furniture and leather; also damp-proofs walls and can be used as a sealer on plaster or cement surfaces. Quick-drying, new substance is not harmed by strong acids, etc.

* * *

Automatic Pressure Cooker

Eliminating the fuss and watching in pressure cooking, new unit is completely automatic, claims manufacturer. Unit consists of a four quart pressure saucepan, an electric stove with cooking dial and a 60 minute timer.

* * *

Easy-to-Read Thermometer

Industrial thermometer now being distributed in Canada has adjustable dial that can be rotated to any position for easy reading. Accuracy of mercury-actuated thermometer is guaranteed to within one scale division. Stem can be mounted at any angle and dial rotated, permitting installation in unconventional locations. Instrument has 11 inch scale, with plain figures.

* * *

Self-Locking Nut

A Welsh firm has produced a new "Nylon" nut. They have used nylon instead of the usual fibre insert of elastic stopment. Improves performance for aircraft and general construction, company claims. Also said to produce a low coefficient of friction, great hardness and resilience and resistance to oils, gas, paraffin, kerosene and boiling water.

* * *

Silicone Polish

Furniture polish is made of silicone compound. Liquid is applied like water, leaves a thin haze when dry. Company claims a little elbow grease will leave a high gloss for months.

* * *

Plug-in Car Light

Anyone who has tried to read maps, etc. by the dim haze of interior car lights will appreciate new powerful spotlight with 4 in. diameter sealed beam which plugs into cigarette lighter socket of car panel. Light has a pistol-grip handle, thumb switch and 11 foot cord. When not in use, lamp can be stored in glove compartment.

* * *

Measures Thinness

A portable thickness gauge checks sheet steel to the nearest 0.001 inch. Dial on top of instrument can be read when gauge is slipped over sheet and retraction lever is released. Upper and lower anvils hold the gauge perpendicular to the surface.

* * *

New Catalogue

Dow Chemical of Canada, Ltd. now has available a catalogue listing over 130 industrial chemicals, along with their properties. A permanent reference book.

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MANY of our greatest industries took form on an engineer's flow sheet . . . it is there, in the complex patterns of engineering symbolism, that imagination is teamed with fact and formulae to turn dreams into profitable reality.

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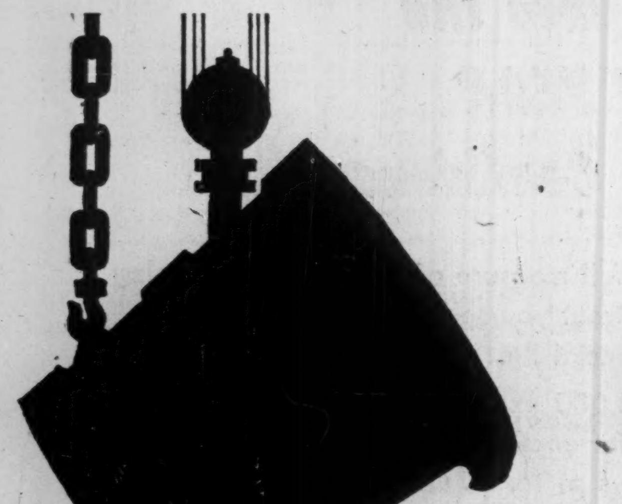

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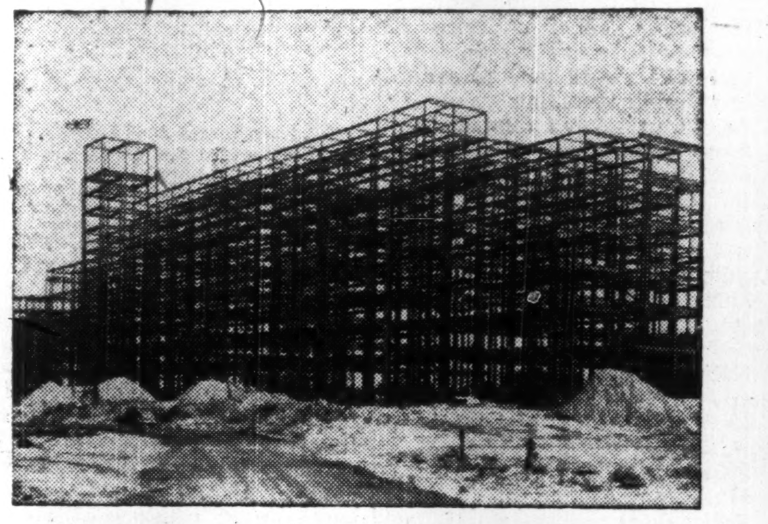
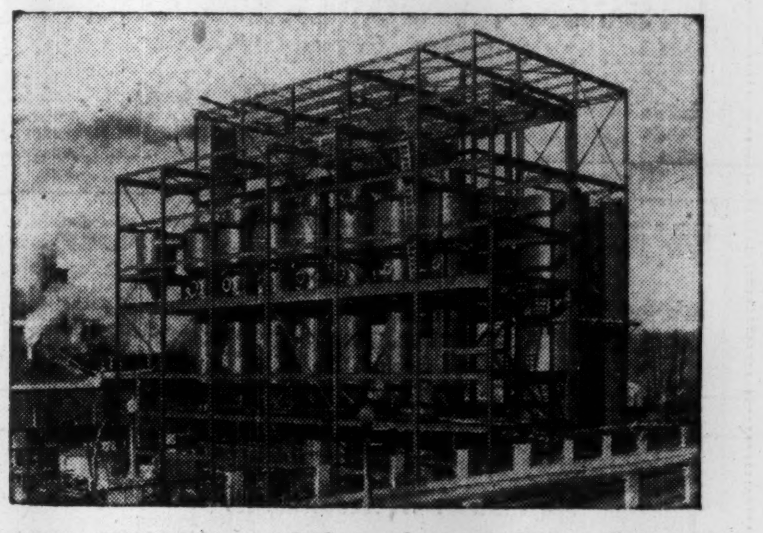
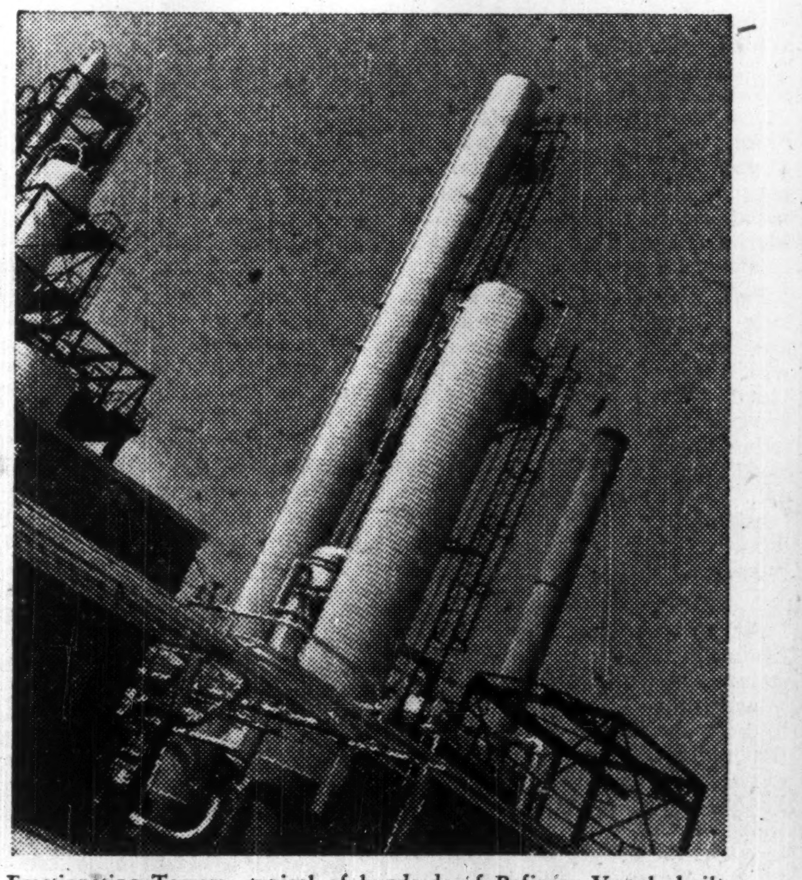


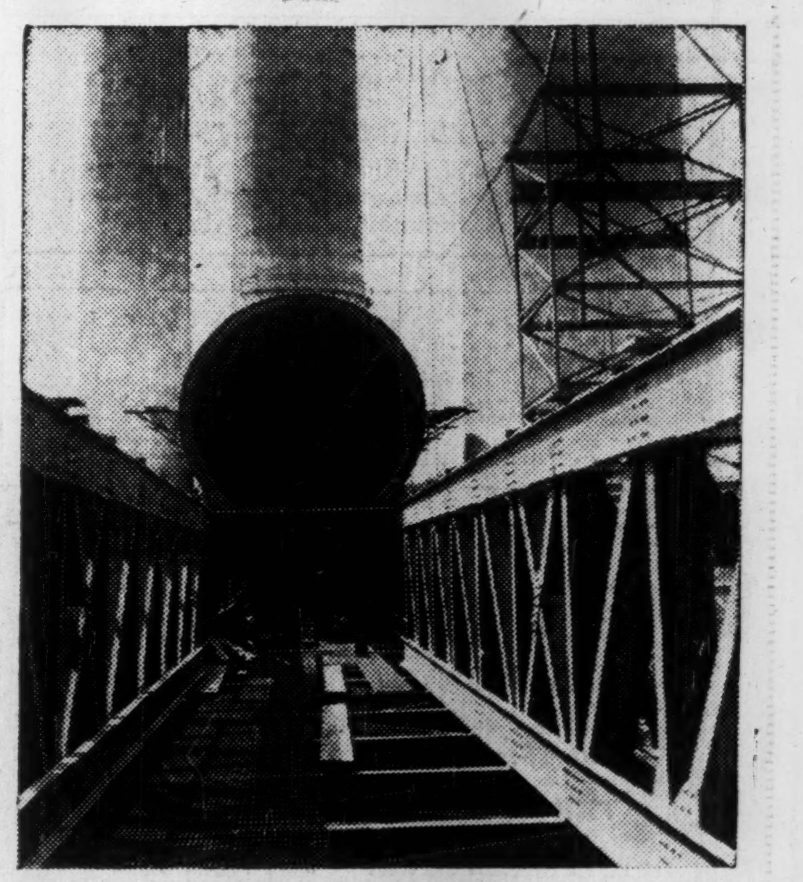
One of the five units at Sunnybrook Hospital, Toronto,—structural steel supplied and erected by Central Bridge.



Recovery Building (Central Bridge) and septuple Swenson Evaporator (Toronto Iron)—one of the many units constructed for the Pulp and Paper Industry.



Fractionating Towers—typical of hundreds of Refinery Vessels built by Toronto Iron Works for the Petroleum Industry.



Riveted steel bridge structure (Central Bridge) and heavy breeching duct (Toronto Iron) for Cottrell Precipitator, constructed for the Cement Industry.

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What's the Outlook for 1951?

(Continued from page 15)

needs? That's the big question overhanging most 1951 export prospects. Substantial market opportunities are being uncovered in South America — if Canadian firms are willing to work hard enough to capture the business. Decisions at Torquay tariff and trade conference may be of far-reaching importance; tariff benefits gained at Annecy and Geneva may be extended another three years.

GOVERNMENT CONTROLS — More controls in 1951 are likely, but short of all-out war, Ottawa won't hurry into direct controls. We'll try to avoid the sort of paperwork which controls will bring in the U. S. One exception: steel, where we depend so much on U. S. supplies that we'll have controlled "end-use" allocations even before the U. S.

Finance Minister Abbott stated government policy on controls this month: "Direct controls are not a substitute for vigorous fiscal policy. Their proper role is to support and buttress fiscal and monetary policy. The direct controls cannot carry much of the load themselves."

Much will depend on what the U. S. does and what happens on the International front.

LABOR — Labor-management relations may be reasonably serene next year, at least for the first six months. Union pressure for wage increases appears to be easing. Recent increases in the automobile industry and now the railway settlement have taken the edge off the sharpest union demands. Another stabilizing factor: many of the unions which lead the wage parade have two-year or longer contracts, geared in some cases to the cost of living. Labor supply situation looks tough. There is a shortage of skilled workmen. Ontario will bring 75,000 immigrants from Britain and Europe to ease the strain. Women will again become important in industry, particularly in expanding aircraft production. Overtime and lower productivity expected, hence substantially higher wage bill.

RAILROADS — The 1951 railway earnings picture is cloudy. The railways have asked for an immediate 5% rate increase to offset higher wages, plan to seek further increase to meet the 40-hour week scheduled for June 1. Speed of decision, and its nature, will have bearing on whether railways can continue to show higher earning levels. Trend to diesel power and freight-car construction program should keep equipment makers busy in 1951, providing raw materials are available. Major passenger car improvements and additions are being considered.

TOURIST TRADE — Is gasoline rationing coming back in the United States? If tourist authorities knew definitely it wasn't, they wouldn't be worrying about 1951 business. They remember Korea (June 23) and the rush of Americans to get back home. Americans now have more money, more cars. In any event, Canadians are getting ready for a big year: Ontario Association of Tourist Resorts reports 49 of its 205 members want to spend almost $500,000 on improvements and buildings, if material supply isn't too tight.

What are Bars to Investment Abroad?

Here's How Some Obstacles Might Be Cleared Away

Following is a summary of the report of the Advisory Committee on Overseas Investments, presented last week, together with the text of their recommendations.

Members of the Committee:
Gordon R. Ball, Chairman, General Manager, Bank of Montreal, Montreal.
Prentice Bloedel, President, Bloedel, Stewart & Welch Ltd., Vancouver.
George W. Bourke, President, Sun Life Assurance Co. of Canada, Montreal.
Hon. C. J. Burchell, K.C., of Burchell, Smith, Jost, Meagher & Burchell, Halifax.
R. G. Cavell, Vice-President, Phillips Electrical Works Ltd., Toronto.
C. E. Gravel, Director, Banque Canadienne Nationale, Montreal.
J. D. Johnson, Chairman, Canada Cement Co., Montreal.
James Y. Murdoch, K.C., President, Noranda Mines Ltd., Toronto.
R. E. Powell, President Aluminum Co. of Canada, Montreal.
K. M. Pringle, President, Dominion Securities Corp., Toronto.
R. M. Sale, President, Ford Motor Co. of Canada, Windsor.

NON-RESIDENT INVESTMENT IN CANADA
(Millions of Canadian Dollars)

	1926	1939	1948	1949 (Prelim.)
Held in United Kingdom	2,636	2,476	1,593	1,752
Held in United States	3,196	4,151	5,588	5,890
Held in Other Countries	170	286	332	335
Total	6,002	6,913	7,513	7,977

CANADIAN INVESTMENTS ABROAD

	Non-Resident Investment in Canada	Can. Invest. Abroad: Direct and Portfolio Investment	Can. Invest. Abroad: Governmental Credits	Can. Invest. Abroad: Total
1926	6,002	890	36	926
1939	6,913	1,390	31	1,421
1947	7,175	1,401	1,816	3,217
1949	7,977	1,531	2,000	3,531

(Note: Excluded from the estimates of Canadian investments abroad are official holdings of gold and foreign exchange, and external assets of Canadian banks and insurance companies which are regarded as offsets to the external liabilities of these concerns.)

INVESTMENTS BY AREAS
(as at Dec. 31, 1949)
(Millions of Canadian Dollars)

	United States	United Kingdom	Other Countries	Total
Investment in Canada	5,890	1,752	335	7,977
Canadian Investment Abroad:				
Special Government Credits	....	1,434	566	2,000
Direct, Portfolio & Miscel.	1,133	100	298	1,531
Total Investment Abroad*	1,133	1,534	864	3,531
Net Investment in Canada	4,757	218	—529	4,446

*Subject to same exclusions as in table immediately preceding.

Here are the problems in overseas countries, in order of frequency in which they are mentioned in the questionnaire:

Control of capital movements
Limitation on remittance of profits
Lack of trained local personnel
Productivity of labor
Export or import quotas
Inadequate power facilities
Burden of social security legislation
Inadequacy of housing, recreational and shopping facilities for employees
Lack of adequate roads, railroads, harbors and storage facilities
Nationalization and expropriation
Lack of health and sanitary facilities
Relations and organized labor
Multiple exchange rates
Tariff rates
Inability to deal with responsible government officials.

Meaning for Investors

The background of the peoples in foreign countries gives rise to another group of problems reflected in the attitude and long term policies of governments and in the labor forces. Many of these problems, such as, for example, a policy of nationalization and expropriation or the burden of social security legislation, are of such a nature that any change is likely to be gradual.

Productivity of labor or the lack of trained local personnel are, however, of the type with which management can deal, provided that there is no serious impediment to the mobility of labor, particularly with reference to the introduction of key personnel, technical experts and a reasonable proportion of skilled labor even if only for training purposes.

Movement of Capital

As to problems, which arise from the actions of foreign governments, control of capital movements is the one with the highest incidence, and it is here that the greatest potential appears to lie. United Kingdom, Argentine, France and others, have recently moved to relax the restrictions on movements of capital newly invested. However, there still appears to be a general reluctance to remove restrictions.

It is perhaps paradoxical but nevertheless true that one of the greatest inducements that can be offered for the attraction of new capital and the voluntary retention of capital already established is the absence or removal of all restrictions on withdrawal. These remarks are applied here particularly to direct investment, but would probably also apply with some force to more speculative capital.

Remitting Profits

Limitation on the remittance of profits does not appear to present as serious a problem as control of capital movements, partly because greater freedom of action already exists and partly because investing companies are often willing to defer withdrawal of a portion of their profits; but it is nevertheless an important discouraging factor in overseas investment.

It would be in the interest of overseas investment to keep alive the suggestion that quotas and other controls of a foreign nature be withdrawn as soon as possible.

The incidence of problems appears to be high in the U. S. dollar area (excluding the United States) due in large part to a relatively high incidence of labor problems, foreign exchange controls and tariff factors. Import quotas are relatively unimportant in this area, but tariff rates themselves appear to be high. In certain other respects, the U. S. dollar area seems to be an attractive field for investment. If it should be the policy of the Canadian Government to permit further Canadian direct investment in this area, such investments might prove profitable to the Canadian economy as a whole by earning a satisfactory return in U. S. dollars. While reduction of tariff rates would be beneficial to trade in general in this region, and might serve to stimulate certain types of investment, other types (particularly wholly integrated manufacturing ventures) might be discouraged.

Tax Discrimination

In the special section on taxation, it was indicated that in some foreign countries direct investment from Canada is permitted only provided that voting control of the venture is retained in a foreign country.

In such countries and in other countries as well it sometimes happens that a Canadian company owns or wishes to own anything up to 50% of the voting stock of a foreign company, and in these instances there appears to be significant Canadian tax discrimination as compared with cases where the voting control is held in Canada. In the latter cases dividends received in Canada are exempt from Canadian taxes, whereas, in the former, dividends are taxable under Canadian law, and credits claimed for foreign taxes withheld frequently compensate only in part for the additional tax.

Tax conventions in which Canada is a participant are in force at present with the United States and United Kingdom and New Zealand, and such conventions assist materially in reducing the impact of multiple taxation on foreign investments and clarify the tax position. The conclusion of similar agreements with other countries should provide an added stimulus toward overseas investment.

One deterrent feature is the cumulative labor, expense and loss of time involved in complying with regulations, etc.

Capital Seeks Outlets

Despite the domestic demands for Canadian capital, there appears to be a sizeable volume of capital seeking outlets overseas for specialized direct investment purposes and the impression is gained that any reasonable relaxation of existing obstacles and restrictions would be sufficient to encourage a further outward flow.

Suggestions made to the Committee included a remark by one company to the effect that an arrangement might be made with financial houses and institutions to organize a capital pool to make loans or equity investments in credit-worthy overseas ventures.

Another company suggests a form of federal government insurance or guarantee against losses through expropriation or nationalization and to provide assurance of convertibility of exchange in connection with transfer of profits and recovery of capital. This suggestion is of course in line with the scheme for guarantees already operating under ECA in the United States.

While such a system of guarantees may be an incentive contributing to the decision to make an overseas investment, it does nothing, once the decision is taken, to assist the physical initiation of the venture. In fact, it adds one additional element of negotiation and "red tape." If the venture comes to an unsuccessful end, it merely means that a contribution of Canadian dollars to the foreign economy has been made, not at the expense of one Canadian company but at the expense of those Canadian companies who have paid premiums or the Canadian taxpayer.

The survey has brought to light a number of important factors limiting Canadian external investment which are a reflection of day-to-day practical experience. Unfortunately, many are deep rooted while most would seem to arise from conditions beyond our own borders.

Canadian Efforts Limited?

It would seem therefore, that there are definite limits to what can be done in Canada to remedy the specific disabilities involved. The realization that all pathways cannot be opened at once is no excuse for not attempting to clear away underbrush wherever possible, and particularly any tangled growth which may surround our own doorstep.

We are ourselves one of the most attractive areas for capital inflow. It would seem well, therefore, that any steps which Canada may take in an endeavor to bring about more favorable conditions for external investment in other countries should be accompanied by a careful scrutiny of our own attitudes and procedures with respect to foreign investment in our country.

Exchange Controls

The desire of the private investor, individual or corporate, to invest abroad, will not arise from the condition of his country's balance of international payments but, quite properly, will derive from a weighing up of economic advantages and disadvantages. On the other hand, economic motivation in this respect is today restricted in multitudinous directions by exchange controls. Most of these controls and related restrictive measures have had their origins in balance of payments difficulties.

Nevertheless, there is a real danger that the paraphernalia of restrictions may be retained after the original need for them has abated and that they may be employed for other than the original purposes.

The danger of exchange control of capital transactions becoming a permanent feature in many countries would seem to be particularly acute.

In addition to its specific recommendations the Committee suggests that an attitude of vigilant scepticism be maintained with respect to the necessity for continued exchange control in Canada. In particular, any suggestion that exchange control is indefinitely necessary because of the relatively heavy investment of outside capital in this country and the consequent danger of capital flight should be questioned. Given prudent conduct of our own affairs, Canada has little to fear in this respect. Direct external investment in Canadian productive plant is in its nature fixed, while in the case of portfolio investment, the freedom to withdraw one's capital is in itself an important safeguard against excessive use of this right.

Recommendations

Removal or mitigation of many of the problems would require action by the governments of the countries concerned. An approach might be made by the Canadian Government to any countries thought likely to be interested in attracting Canadian capital, taking the form, initially, of an enquiry as to whether or not the country in question would welcome the investment of such capital. If the response is favorable, the possibilities might then be explored of concluding mutual agreements on the points dealt with in the three recommendations immediately following.

1. The obstacle to overseas investment most frequently encountered in the survey is the restriction on capital movements. It is recommended that the Canadian Government seek to negotiate mutual agreements with other countries, wherever possible, to permit the free movement of capital back and forth where such capital movement represents direct investment in plant or equipment, or the return or withdrawal of any capital so employed.

2. Canada now imposes no important restrictions on remittance of dividends or profits to other countries in the currency appropriate to the residents of the area. It is recommended that the Canadian Government should seek to obtain reciprocal action from other countries wherever possible.

3. It is recommended that mutual agreements be sought on the following points:

(a) No unreasonable immigration restrictions should be placed in the way of sending key personnel and technical experts from one country to the other for the protection and efficient operation of direct investments.

(b) That each country agree to provide reasonable amounts in the currency of the other country to such personnel to enable them to maintain payments on insurance policies and to take such other steps as might be necessary in the interests of their future security, the health of their families and the education of their children.

4. It is recommended that the Government give consideration to reviewing the regulations of the Canadian Foreign Exchange Control Board:

(a) With a view to ensuring that there are no restrictions unduly prejudicial to personnel sent to Canada from foreign countries in connection with the direct investments of foreign companies in Canada, and

(b) With a view to establishing, if possible, a non-resident category of Canadians which would provide Canadians sent abroad in connection with overseas investments, with a special status in the eyes of the Board over a reasonable period of years, and thereby assist them to transact their current affairs and maintain some degree of financial security pending their eventual return to Canada.

5. The Committee understands that it has not been the policy of the Canadian Foreign Exchange Control Board to provide U. S. dollars freely to Canadian companies for purposes of direct investment in the U. S. dollar area (excluding the United States), although such funds are provided in certain cases where the circumstances meet the Board's requirements. Companies with existing investment in these areas require additional capital from time to time to protect or expand their investment, and existing investments as well as any that might be permitted in the future should

(Continued on page 23)

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The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Child Born Dec. 20

If a baby is born on Dec. 20, what exemption is the parent entitled to as regards income tax?

Such a child would be eligible to be registered for family allowances in December and to receive them in January and accordingly the parent is allowed an exemption of $150 for this year on his account.

INVESTMENTS

Ogilvie Flour Mills

Please give me some information on Ogilvie Flour Mills common stock.

Ogilvie Flour Mills like many others in the flour milling industry, has experienced a declining trend in earnings in recent years.

The company points out that the annual productive capacity of all Canadian mills is 200% greater than domestic requirements with the result that this surplus capacity bears heavily on both home and export markets. Export business is down greatly from the wartime and early postwar period and this has led to strenuous competition in the domestic market. Millers say that prices on the domestic market have been pushed down to levels which are unprofitable in view of the increases in cost and many have been depending on prepared mixes for cakes, pies, and so on and on feeds for animals to offset their low return on sales to the baking industry.

An important factor in the over-all Ogilvie picture, of course, is the company's large investment portfolio. As at Aug. 31, 1950, investments in marketable securities are shown at $1,750,241 ($2,290,647 a year earlier) and shares in, and amounts owing by, wholly owned subsidiary companies (the assets of which consist of marketable securities) are shown at $506,085 ($513,701) or a total of $2,256,326 ($2,804,348). Fair market value of these holdings was given as $9,733,000 ($9,824,000), nearly $7½ millions more than the book value. No information is given as to the actual holdings.

The company's investments in subsidiary companies at Aug. 31, 1950, were shown at $1,219,440 but the names of these subsidiaries are not shown in the company's reports.

The net profit on investments sold plus investment income totaled $1,144,108 during the last fiscal year. Net profit for the year was $784,619, indicating that the company lost money on its flour milling operations and that all its net profit is due to its investments. No deduction was made for income tax and there was an entry in the surplus account showing an addition for income tax recoverable.

Prior to the split of the company's old stock 8-for-1, the company paid a common dividend of $8 per share per annum from 1931 to 1937 inclusive. In 1938, a further $4 per share was paid on the old stock and 75c a share on the new stock (a total of $10 per share on the old basis). From 1939 to the present time, the company has been paying regularly at the rate of $1 per share per annum.

Earnings per common share on the 600,000 outstanding in recent years have been as follows: 1938, $1.09; 1939, $1.43; $1940, $1.28; 1941, $1.05; 1942, $1.13; 1943, $1.48; 1944, $1.64; 1945, $1.73; 1946, $1.69; 1947, $1.79; 1948, $1.83; 1949, $1.08; 1950, $1.10 (all for fiscal years ending Aug. 31).

The company reports that results in the first quarter were better than in the same period last year and it is hoped that a better showing will be made on the full year. It is not known what the prospects are for investment income because no information is given on this phase of operations.

Canada Cement

Please give me some information on Canada Cement Co.

Canada Cement Co. carried out a re-organization plan in September, 1946, which split the old $100 par 6½% preference shares into five new shares, at $20 par, with a call price of $30 per share and an annual dividend of $1.30 per share. Preference arrears of $40.25 per share were thus eliminated and the rights of preference holders were recognized through increasing the call price of the shares by the amount of the old arrears.

Following the re-organization there were outstanding 1,004,345 $20 par preference shares and 600,000 no par value common shares. The company announced late in November that it had redeemed and cancelled 23,787 preference shares, reducing the number outstanding to 980,558. In addition to cutting down the dollar value of preferred by more than $475,000, old preferred arrears were in effect reduced by $237,000-odd dollars, and the annual preferred dividend requirements by nearly $31,000.

Up to the end of 1949, the company had increased its production capacity by 40% since the end of the war. Now it is undertaking an $8 million plant expansion and improvement program. It has started work on a new 600,000 bbl. plant at Butternut Ridge, near Havelock, N.B., which is expected to be ready for operation in July, 1951. It is also adding to the capacity of its Exshaw, Alta., plant by one million bbls. per annum, bring the total capacity of that plant to 2.6 million bbls. a year, probably by the end of 1951.

Total Canadian shipment of Portland cement by Canadian manufacturers amounted to 12.9 million bbls. in the first nine months of this year (12.3 million for the first three 1949 quarters) and production was also up at 12.3 million bbls. against 11.9 millions a year ago. Capacity of Canada Cement Co.'s plant is between 13.5 millions and 14 millions per year.

Earnings for the year ended Nov. 30, 1950, are expected to show some increase over the previous fiscal year when volume of sales was at the highest level in the company's history. The addition of the new plants should take care of the available demand, the company states.

Some new financing may be required to provide funds for the expansion program, but the company is not prepared to make any statement in this regard at present. Outstanding funded debt has been reduced to $700,000 2⅛% serial bonds due Nov. 2, 1951.

Net profit in the 1949 fiscal year was $4,820,196 compared with $3,727,567 in the previous year, equal to $5.86 and $4.04, respectively, per share of common stock. Payment of a dividend of $1.50 per share on the common stock Nov. 30, 1950, was the first dividend paid on the common stock of the company.

Working capital rose to $4.6 millions at Nov. 30, 1949, from $2.9 millions at the end of the previous fiscal year.

Pioneer Gold

When did Pioneer Gold Mines of B. C. pay its last dividend? Would you say there is a chance of a distribution in the near future? I would very much appreciate your comments as to prospects for 1951.

Pioneer Gold Mines has paid no dividends since Oct. 5, 1942, when 5c a share was paid. However, at the company's annual meeting on June 29, 1950, President Victor Spencer stated that resumption of dividends should be possible in the not too distant future.

Earnings for the year ended March 31, 1950, amounted to 19c a share and working capital at March 31, 1950, amounted to $483,996 or close to double the level of a year earlier.

Ore reserves at March 31, 1950, amounted to $395,833 tons averaging a half ounce gold per ton which is sufficient ore for over five years milling requirements at the 1950 milling rate.

Prospects for 1951 are perhaps not quite as bright as those for 1950. Average price for gold may be somewhat less, also cost-aid. Then the company faces the possibility of a shorter labor supply due to demands of defense industries.

RALPH B. HOOD

vice-president and general manager of Duplan of Canada Ltd., Montreal, has been elected a director, Duplan Corp., New York.

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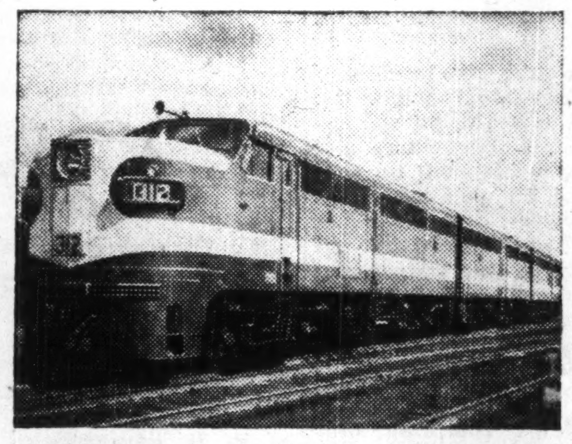
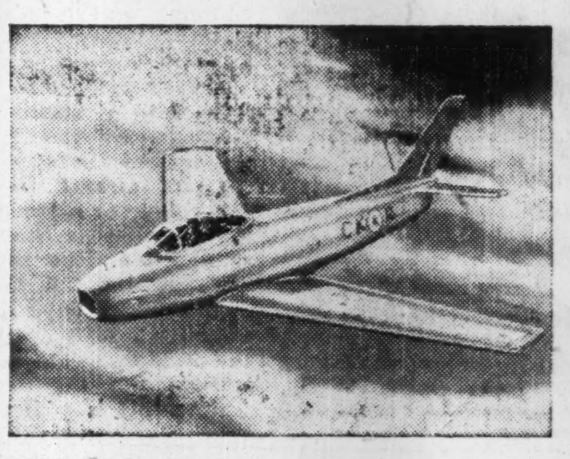


Many diesel-electric locomotives, using G-E electrical equipment, are proving their efficiency and economy on Canadian railroads.



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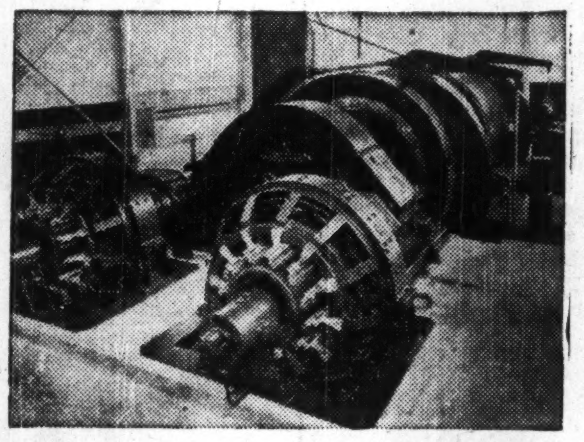
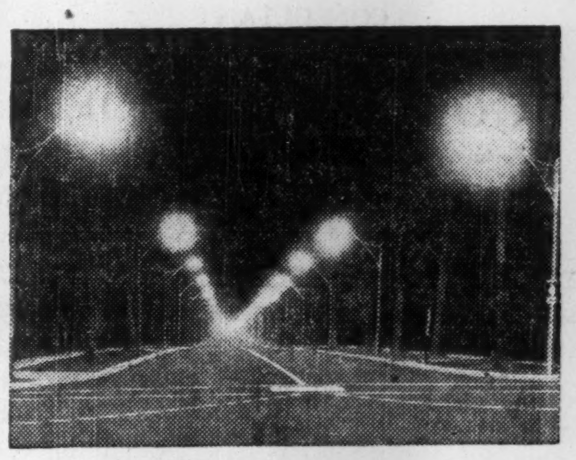
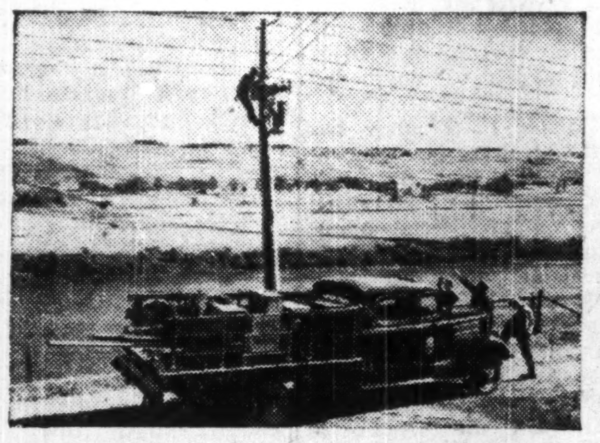


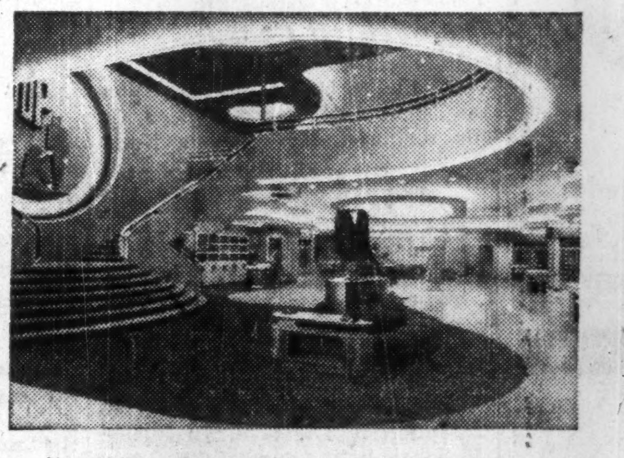
Mine hoist driven by two motors totalling 4500 hp. Electric motors increase the output and earning capacity of workers in every industry.



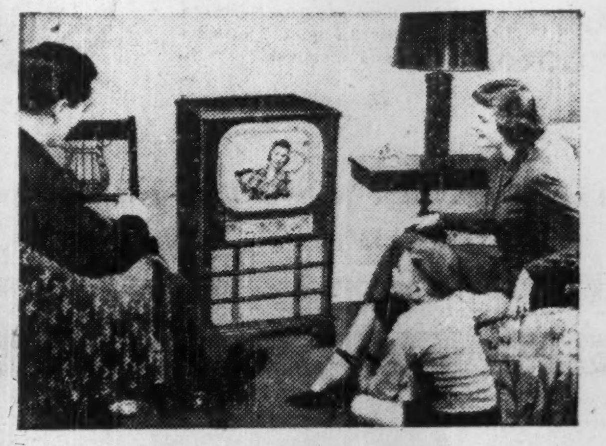
C.G.E. designs and manufactures lighting equipment for scientifically-planned street lighting and electric traffic control.



This company manufactures much of the equipment needed by electric utilities to push ahead rural electrification.



Hotels, stores and theatres use fluorescent lighting to add beauty and dignity, both in and outside their buildings.



C.G.E. manufactures all types of Television equipment—from the transmitters—to the receivers in your homes.

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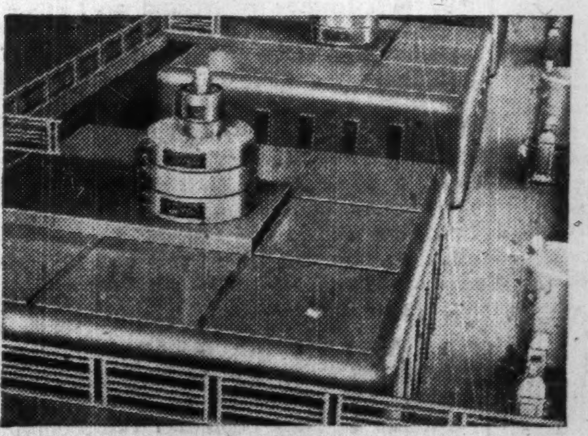
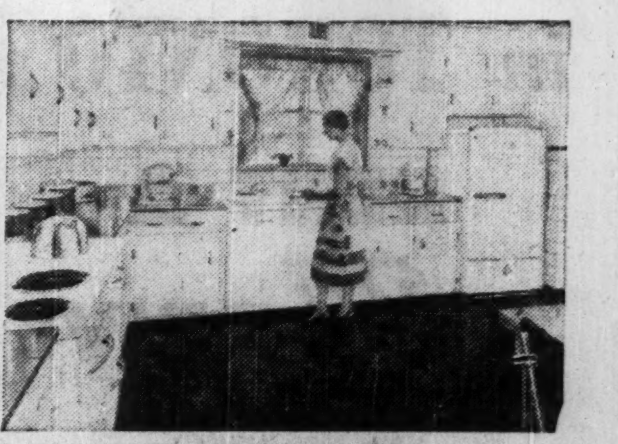


New power developments by Canada's electric utilities, using G-E equipment, will provide millions of additional horsepower.



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LONDON CALLING—*By Adelphi*

What's U. K. Policy on German Army? French Feel They Know the Result Now

LONDON — Although this is the festive season there are some pretty long faces about and these are not solely due to events in the Far East. Things are happening nearer home which make quite a lot of people doubt the existence of Santa Claus.

It is only a little more than five years ago since General Eisenhower left Europe, a shattered German army behind him. Now at Brussels the Foreign Ministers gather again to recreate a German army and to recall Eisenhower to Europe to command it and other forces.

* * *

Grey-visaged, tired Mr. Ernest Bevin puts the British case at Brussels. At least, so it is said. But what is the British case? Nobody seems at all clear about this. There's no denying that there has been a lot of woolly thinking in this matter and a good deal of confusion.

Let it be admitted that poor old Mr. Bevin's task is not easy. He is the middle part of the sandwich between United States and France.

All the U. S. wants is to make sure there are some armed troops in Western Europe and does not mind very much whether they are Germans or Eskimos. But the French have lived a few hundred years with a Germany army on their doorstep and to them the sight of the jackboot is not healthy. They are not to be blamed for a certain reluctance to shout "Vive L'Allemagne" and welcome a revived Wehrmacht with fireworks and jubilation.

* * *

An Army for Germany And at German Terms?

However, there is no doubt who is going to win the day. A German army is decided upon. The French are in no position to argue, though with their usual logic they wish it to be made quite plain that in their view the only result will be that once more part of the next war will be fought on French soil and they make no bones about it that they think it is somebody else's turn.

There's only one snag about this new German army. The Germans themselves are being coy about it. This is only part of the game of bluff. Of course, they want their own troops again but they see here a chance to make a high bid. The present terms are that it shall not make its own arms, or have its own High Command. They are now putting the pressure on to get these terms removed.

Now this is where the weariness of Mr. Bevin becomes important. I saw him the day before he left. He did not look to me as though he could have argued with a sardine.

There is much discomfort here about this and quite a lot of people — some who know what they are talking about and some who don't — are urging Mr. Attlee to make a change. But little Mr. Attlee can be singularly deaf on occasions and like many other little men he has a streak of obduracy which hardens in the face of attack.

* * *

Mr. Boothby Is Sharp But Eden Still Secure

Whatever the men at Brussels may have to say there is no lack of argument at home.

Mr. Robert Boothby, rugged, burly, dramatic and intense Conservative M.P. for Aberdeen is a great debunker. He takes up Mr. Attlee's statement "You Chinese do not really want war." With irrefutable logic Mr. Boothby points out that the Chinese ARE making war. They don't have to if they don't want to, and the evidence weighs somewhat heavily against the Prime Minister's optimistic assessment.

* * *

There are some who see in Mr. Boothby a future leader of the Conservative Party. I doubt it. He certainly has personality, a rare quality in public life today. He is a good speaker with a fine voice and sometimes his judgment is right. Nobody expects a politician's judgment to be right every time, but you need to be right more often than Mr. Boothby to become a party leader.

No. Mr. Eden remains secure as heir-apparent. His stature has grown these last few weeks because the focus has been on his favorite topic, foreign affairs. He has, without any advantage of access to the Foreign Office cables, shown a more statesmanlike grip of the situation than those who have that access.

And he had one tremendous piece of luck. In a speech in the House of Commons he made a suggestion that the Prime Minister should go to Washington. A few hours later Mr. Attlee said he was going. He denied that it had anything to do with Eden's proposal. It seems he had been meaning to go all along, but as he had not told anyone it was a fine sense of anticipation by Mr. Eden. Or was it just coincidence? Or was it . . . ?

* * *

There Isn't Enough Nationalized Coal

It is not only among those involved in foreign affairs that you see some red faces. There is, for instance, Mr. Francis Noel-Baker. He is the Minister of Fuel and Power, goodness knows why.

It is his job to see that we get our coal and our coke and I can tell you that just at this moment we need it. We have been having winters in this country for quite a long time now, but since nationalization every time it comes round the Socialists are taken by surprise. And when people clamor for fuel, Socialist Ministers and M.P.'s wear a sort of hurt look as though we are just being unkind.

Well now, this Noel-Baker has to say that the nationalized mines have failed to produce the coal and that this island, which is made of the stuff, has got to use precious dollars, of which it has very few, to make up the deficiency.

* * *

Mr. Noel-Baker is interested in another island. This is in the Greek Archipelago, where his family owns property. In those sunny parts the demand for coal is not so heavy. Many suggest that Mr. Noel-Baker should be thinking about his retirement there before another winter comes 'round.

Meanwhile we shiver; and that doesn't make it easier to read the news from Korea.

* * *

Can we cheer ourselves up with the prospect of a bright beginning in the New Year? Apparently not.

Sir Hubert Henderson, whose job it is to keep an eye on population trends, takes a gloomy view of the future. It seems that we are an ageing tribe, and this must have serious consequences upon our economy. In the immediate future, the balance tips over so that there will be a higher proportion of old people than of young. The old people, apart from their pensions become increasingly expensive to maintain as, with their natural ailments, they make more and more demands on the public expenditure through the National Health Service.

It is, of course, the productivity of the "not-so-old" which has to provide the wealth for all this. But, says Sir Hubert, more and more young people will be conscripted into the non-productive fighting services.

The only consolation I can get out of all this is that statisticians can be wrong.

* * *

Moscow Ignores London's Tube

So it seems that the only thing to do is to look back upon the achievements of the past. That no doubt is why we are celebrating the diamond jubilee of the first underground railway in the world. It was just 60 years ago that the daring experiment was made when the City and South London Underground Railway made its first journey. This line was then just over three miles long and was considered to be a marvel of modern engineering.

Now London has the finest subway system in the world, including the longest continual tunnel of 17 miles. But if you go to Moscow they will show you with naive pride their excellent and comparatively small tube railway. They are justly proud of it. It was modeled on the English system, built by British engineers. But do the Russians celebrate the diamond jubilee of the event which started all subways?

Not at all. They acclaim with pride the "Russian" triumph and add, with scorn, that the effete Western democracies can produce nothing to match it.

Oh well; so don't let's go to Moscow after all.

W. H. SMITH

has been appointed executive vice-president, Abitibi Power & Paper Co.

Study Free Entry Engineers' Plans

The Tariff Board will hold public hearings at Ottawa on Jan. 30 on possible change of the method of valuing architects' and engineers' plans for duty purposes and on current free entry of certain types of engineers' plans.

The Minister of Finance has had representations for restoration of duties on duty-free engineers' plans and for increased valuations on architects' plans, (The Financial Post, Nov. 11). Requests came from the Engineering Institute of Canada and other engineering groups, and the Royal Architectural Institute of Canada, respectively. The request for higher values on architects' plans will raise the question of the method used on engineers' plans also.

A government measure in 1946 granted duty exemption to "Engineers' plans, drawings or blueprints of machines and plant equipment, plant lay-outs, foundations of machinery and other plant equipment, structural supports and towers and similar outside structures, dams, spillways and other hydro construction, wiring, piping, platforms, ladders, stairs, etc., not to include office or other buildings."

BOOKS FOR BUSINESSMEN

FRASER'S CANADIAN TEXTILE, Apparel and Fur Trade Directory, 37th Edition; Fraser's Trade Directories Ltd., Montreal; 548 pages; $3.

Here is an invaluable aid to Canadian business—a purchasing directory listing some 5,000 Canadian companies selling wearing apparel, furs, millinery, men's hats, dry goods, notions, toys, novelties, variety merchandise handbags, leather goods and accessories, store equipment and supplies, etc. These firms include Canadian manufacturers, wholesalers and manufacturers' agents. Street addresses are given in all listings. The directory also contains a separate section listing 4,500 trade names employed by Canadian firms. Listed in another section are 1,200 firms outside of Canada who have resident buyers in this country.

CANADIAN SECRETARIAL PRACTICE, by the Institute of Chartered Secretaries; Isaac Pitman & Sons (Canada) Ltd., Toronto; $4.50.

Want to know who foots the bill if someone forges your name to a stock certificate? Or how a company can be investigated aside from the regular audit? And the proper parliamentary procedure at a company general meeting?

These questions — and a multitude of others — are answered in the newly published "Canadian Secretarial Practice," manual of the Chartered Institute of Secretaries of joint stock companies and other public bodies.

Specifically the volume deals with duties and legal position of a company secretary. But the volume will undoubtedly be prized by many others including company presidents and treasurers. With shareholders gradually taking a greater interest in the companies they own, the volume will probably become popular in the field of ownership as well as management.

Among the wide range of "headaches" dealt with in the book are "powers of attorney, tax returns, garnishments, banking and insurance precis and report writing."

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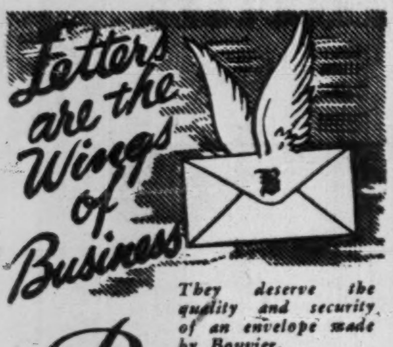

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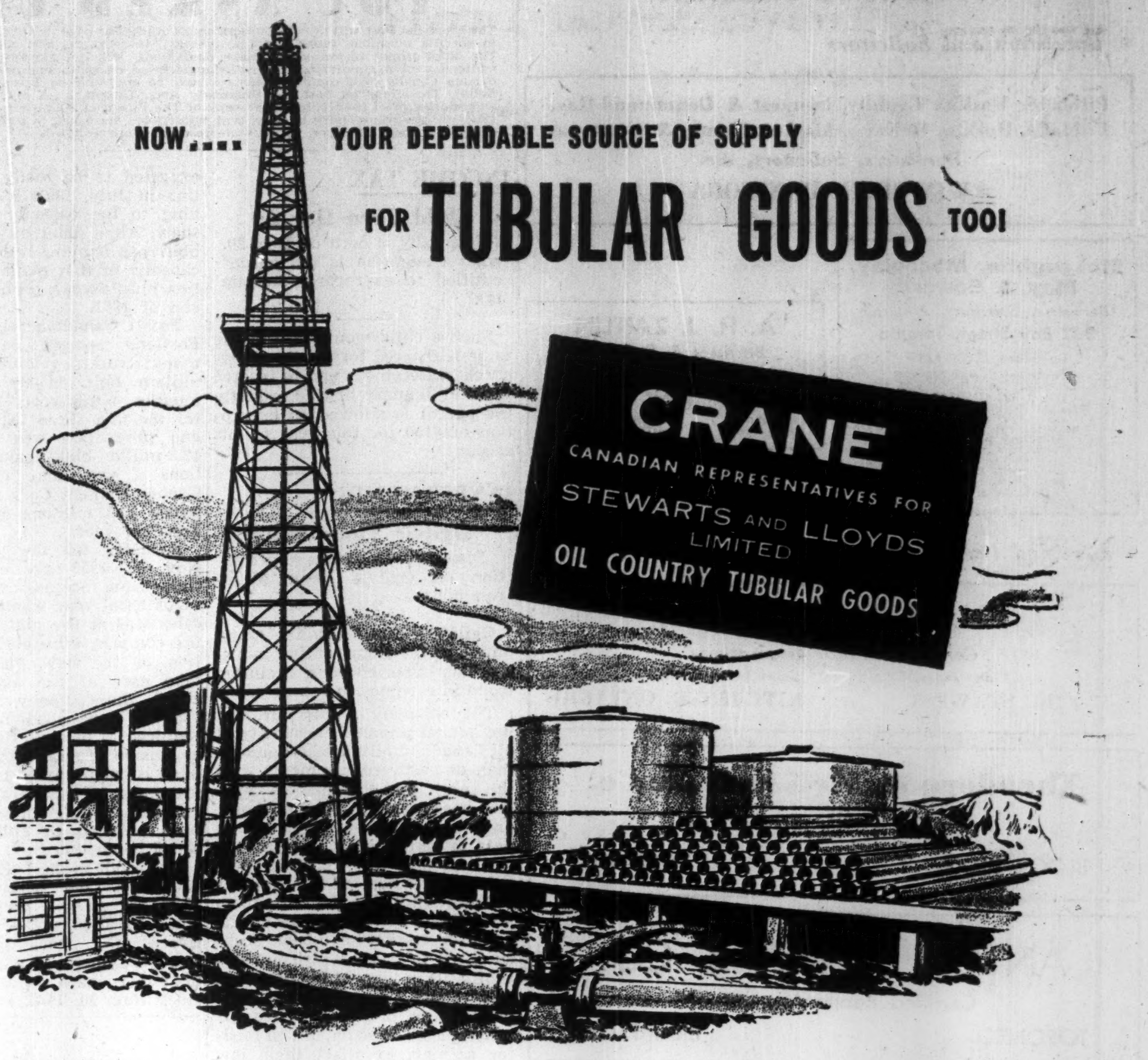

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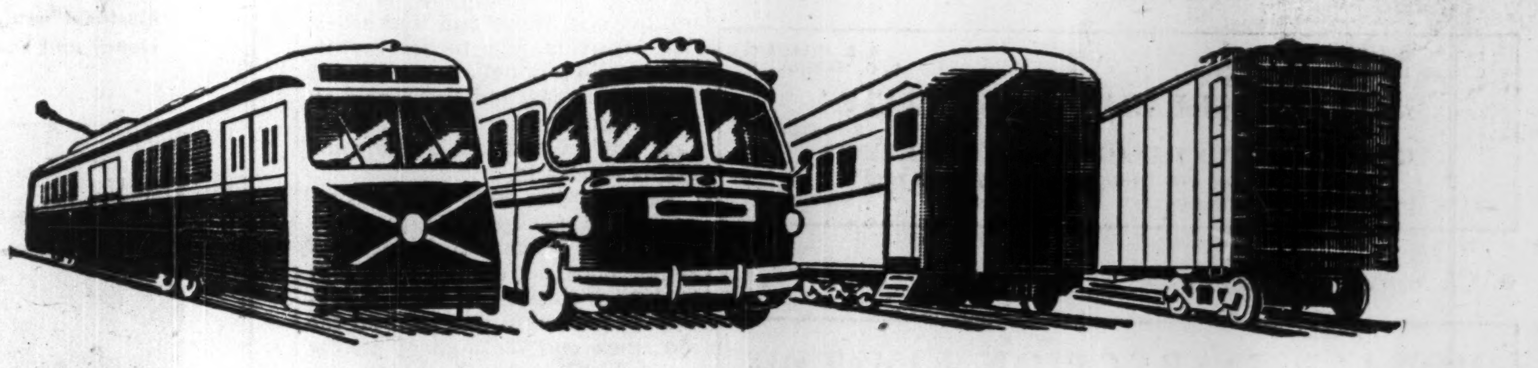

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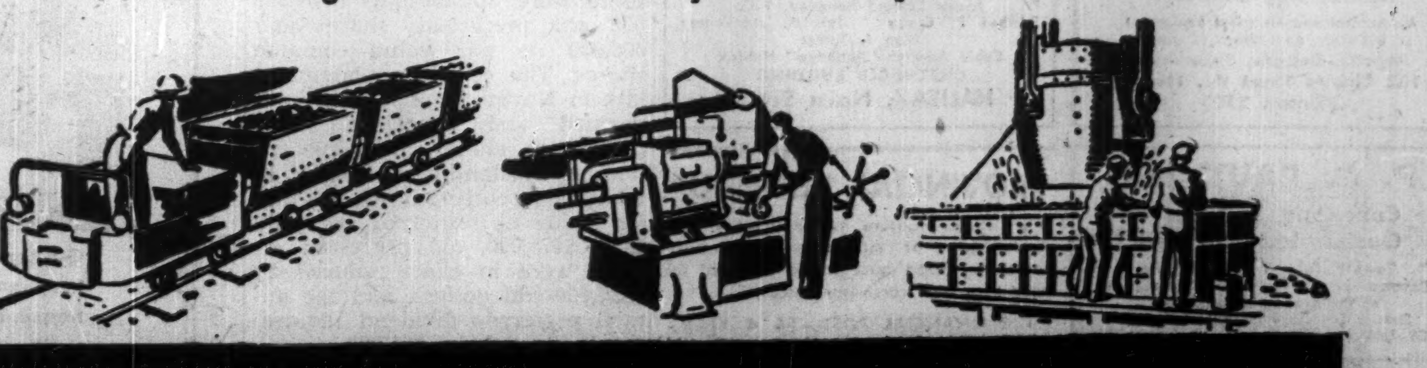

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Wives As Car Drivers Rank Above the Average

Who is the best car driver in your family?

Men who are inclined to criticize their wives' driving will get a rude shock to hear that a survey made in the United States indicates that the little woman has a better than average accident record, much better than truck drivers, when operating the family car. In the lowest U. S. grades is the traveling salesman.

In a list of 64 occupations, housewives stand 23rd, truck drivers 36th and traveling salesmen 62nd.

The survey made by the State Farm Mutual Automobile Insurance Co. covered more than 1.5 million private passenger cars in 40 states. The company does business in Canada and it is believed the findings in the United States apply equally to Canada. It reflects the 1949 records of its own members, all insurance coverages combined. It is believed the first occupational analysis of automobile loss experience ever released.

Farm extension workers, financial organization proprietors and executives and aviators are rated highest among the different groups of drivers. Unemployed, amusement workers and traveling salesmen have the poorest rating. Unlike the unemployed, the "retired" group stand high in the list.

Engineers and Teachers

Professional people, engineers, teachers and barbers are among those with higher than average rating. Farmers live up to their reputation as being high-grade automobile risks, holding fifth place while farm laborers are 53rd. Clerical workers earn ninth place and the trades group generally shows average accident experience except garment and millinery workers which fall in 54th place.

Commissioned military officers are close to average, while enlisted personnel have a high-accident frequency, ranking 61st. Students stand 60th, supporting the theory that young drivers are responsible for an unduly large percentage of accidents.

The various occupations are graded in order of excellence of insurance loss ratios as follows:

1—County agents, farm demonstrators, and extension workers
2—Proprietors, managers, officials — finance
3—Aviators
4—Proprietors, managers, officials — wholesale
5—Farmers
6—Professional and semiprofessional — not otherwise classified
7—Engineering
8—Government employees — not otherwise classified
9—All clerical workers
10—Barbers, beauty shop, masseurs
11—Educators (including all teachers)
12—Veterinarians
13—Retired
14—Officials and inspectors—city, county, local
15—Miscellaneous
16—Proprietors, managers, officials—retail
17—Mining and oil field workers
18—Proprietors, managers, officials—construction
19—Proprietors, managers, officials — not otherwise classified
20—Trainmen and bus drivers
21—Transportation, communication, utilities—proprietors and managers
22—Funeral directors and undertakers
23—Housewives
24—Printing and allied industries—skilled and unskilled
25—Insurance and real estate agents
26—Military—commissioned personnel
27—Agricultural—not otherwise classified
28—Building, construction, repair and maintenance
29—Peddlers, canvassers, solicitors
30—Transportation, communication, utilities—not otherwise specified
31—Law enforcement
32—Medical
33—Sales clerks in stores
34—Manufacturing — not otherwise classified
35—Proprietors, managers, officials — manufacturing
36—Truck drivers
37—Food and allied products—skilled and unskilled
38—Nurses and medical technicians
39—Automobile and implement salesmen
40—Editors, reporters and photographers
41—Filling, service station and garage workers
42—Farm managers, foremen and supervisors
43—Utilities workers
44—Foundry, machine shop and manufacturing
45—Housekeepers, maids, domestics
46—Building maintenance workers
47—Salesmen and saleswomen—not otherwise classified
48—Service workers—not otherwise classified
49—Fraternal orders, unions
50—Churchmen and workers
51—Legal profession
52—Entertainers
53—Farm laborers
54—Garment and millinery workers
55—Liquor and beer (manufacturing sales)
56—Telephone, telegraph, radio — maintenance
57—Officials and inspectors—federal and state
58—Rural mail carriers
59—Food handlers (cooks, waiters, etc.)
60—Students
61—Military—enlisted personnel
62—Traveling salesmen
63—Amusement and recreation workers
64—Unemployed

Bank Toronto At New Peaks

New high levels in total assets public deposits and net earnings are shown by the Bank of Toronto in its 95th statement, for the year ended Nov. 30, 1950. Current loans and discounts, the regular loans to business and call loans were also higher. Investments were lower, probably reflecting the employment of a larger proportion of the bank's funds in loans to customers and less in investments.

After making provision for bad and doubtful debts, net earnings of the bank were over $2.5 millions, up about $30,722.

Depreciation on bank premises and equipment was $415,519, down $120,490 from the 1949 figures which, however, included $200,000 special depreciation set up from profits after taxes had been paid. Taxes in 1950 were almost $100,000 higher, leaving net profit of over $1.2 millions and equal to $2.01 a share ($1.93 in 1949).

On total shareholders funds, including paid up capital, reserve fund and undistributed profits, the net profit is equal to only 5.5%.

Dividends paid or provided for out of 1950 earnings totaled $960,000, equal to 4.4% on shareholders funds ($840,000 in 1949).

Dividends in both years included an extra 20 cents a share or $120,000 payable in January 1950 and 1951 respectively.

Surplus for the year was $247,815, ($315,563 a year ago).

INCOME ACCOUNT

Years Ended Nov. 30:	1950	1949
Net earnings	$2,560,692	$2,529,970
Less: Depreciation	415,519	*536,009
Taxes	937,358	838,398
Net profit	1,207,815	1,155,563
Less: Dividends	960,000	840,000
Surplus for year	247,815	315,563

*Includes $200,000 special depr.

Earnings per Share and Dividend Record:		
Earned	$2.01	$1.93
Paid	1.40+0.20	1.20+0.20

Total assets reached a new high level at $487.1 millions, up $28 millions.

Current loans and discounts rose over $28 millions and call loans were about $5.4 millions higher. Holdings of Dominion and provincial government securities declined about $20 millions, while holdings of other securities increased almost $4 millions.

The bank's liquid position remained strong, quickly realizable assets being 66.83% of total liabilities to the public (71.67% in 1949), the change probably reflecting, as indicated, the greater proportion of assets employed in loans to business than in the previous year.

Total deposits by the public rose about $15 millions to $422 millions of which almost $288 millions were savings deposits.

Condensed balance sheet follows.

CONDENSED STATEMENT

As at Nov. 30:	1950	1949
Cash on hand	$48,281,973	$34,234,410
Dep. with Bk. of C.	33,977,654	41,678,541
Dep. with oth. bks.	6,857,746	5,788,933
Call & short loans	12,485,600	7,062,402
Dom. & prov. secs.*	183,688,993	203,222,429
Other secs.*	25,590,405	21,662,492
Total quick assets	310,882,371	313,649,207
Loans & discounts	165,696,567	137,242,365
Bank premises	5,996,139	5,508,399
Letters of credit	4,506,359	2,886,110
Other assets▲	74,938	102,256
Total assets	487,156,374	459,388,337
Circulation	......	530,706
Dom. & prov. deps.	22,788,022	20,571,157
Pub. nonint. bear. dep.	134,556,932	127,527,141
Pub. int. bear. dep.	287,807,244	279,084,233
Due to banks	15,179,139	6,773,655
Letters of credit	4,506,359	2,886,110
Other liabs.	309,856	284,432
Total liabs. to pub.	465,147,552	437,657,434
Dividends	330,656	300,552
Reserve	14,000,000	14,000,000
Capital stock	6,000,000	6,000,000
Surplus	1,678,166	1,430,351
Total liabs. to shareholders	22,008,822	21,730,903
▲Incl. ref. EPT	35,564	35,564

*Not exceeding market value.

Cheques Cashed Up In October

Cheques cashed by Canadians in October were 12.8% higher than in the same month of 1949, with gains in four of the five economic areas. Increases by areas were: Atlantic provinces 15.5%; Quebec 25.3%; Ontario 16%; British Columbia 10.9%. Prairies were down 7.1%.

The increases reflected the expansion in business and industry, industrial production and employment being high with prices firm.

The decline in the Prairies apparently reflected the slower shipments of grain after unfavorable weather lowered the grade and much of the crop was retained on the farms for feed.

Total debit figures for October with comparisons follow.

Cheques Cashed Against Individual Accounts at Chartered Banks

	Oct. 1950	Sept. 1950	Oct. 1949
	Millions of $		
Atlantic Provinces—			
Halifax	98.6	112.3	86.0
Moncton	35.1	33.3	32.4
Saint John	48.5	40.8	41.1
St. John's	50.3	41.5	41.8
Total	232.5	227.9	201.3
Quebec—			
Montreal	2,411.6	2,131.6	1,983.7
Quebec	315.5	216.1	189.8
Sherbrooke	29.7	27.5	26.2
Total	2,756.9	2,375.3	2,199.8
Ontario—			
Brantford	39.5	37.1	34.4
Chatham	36.1	26.1	26.7
Cornwall	12.5	13.1	......
Fort William	23.6	26.4	18.5
Hamilton	213.1	191.3	177.2
Kingston	24.4	22.9	18.5
Kitchener	48.6	43.8	42.0
London	123.2	126.8	108.7
Ottawa	290.1	347.9	385.8
Peterborough	28.7	27.5	24.7
St. Catharines	41.7	36.7	30.5
Sarnia	29.9	31.2	27.4
Sudbury	26.9	26.0	24.1
Toronto	2,779.6	2,782.2	2,289.3
Windsor	141.5	155.9	118.9
Total	3,859.6	3,894.8	3,326.5
Prairies—			
Brandon	14.9	14.8	15.0
Calgary	265.3	231.7	280.4
Edmonton	197.4	203.7	168.0
Lethbridge	29.5	25.8	24.8
Medicine Hat	11.7	8.9	10.2
Moose Jaw	26.8	19.9	26.7
Prince Albert	13.1	12.1	14.0
Regina	180.7	161.2	234.2
Saskatoon	52.2	51.8	47.6
Winnipeg	970.6	791.6	1,076.0
Total	1,762.3	1,521.5	1,897.0
British Columbia—			
New Westminster	38.4	38.9	29.7
Vancouver	650.2	597.9	567.1
Victoria	91.5	90.4	106.8
Total	780.2	727.2	703.5
Grand Total for Canada	9,391.5	8,746.8	8,328.1

"Note Circulation" Disappears From Seven Bank Statements

A common feature of the annual statements of seven of the chartered banks this year is the absence from the liabilities column of the item "note circulation."

This change results from the complete withdrawal of chartered bank notes from circulation in Canada at the beginning of 1950, in harmony with the Bank Act of 1944, which provided for retirement of all chartered bank notes issued for circulation in Canada.

Circulation of chartered bank notes in British possessions outside Canada was not affected.

The three banks which still have notes circulating outside Canada, Canadian Bank of Commerce, Bank of Nova Scotia and Royal Bank of Canada, however, still showed the item in their accounts.

Jamaica and the British West Indies are the areas where these notes circulate. They are of $5 or £1 denomination or any multiple of such sums. But they impose no extra liability on bank shareholders as was the case with the notes issued for circulation in Canada, withdrawn in January, 1950.

Outstanding issues of the various banks at the end of their respective fiscal years are as follows:

Bank Note Circulation

At End of Fiscal Year:	1950	1949
Montreal	......	$3,621,916
Nova Scotia	$51,364	1,224,017
Toronto	......	530,706
Provincial	......	254,193
Commerce	29,381	2,969,193
Royal	249,989	3,703,730
Dominion	......	498,329
Nationale	......	541,592
Imperial	......	703,137
Barclays	......	51,620

Staff Changes

Chartered banks announce the following staff changes.

Montreal:

C. M. McKENNA, manager, Seven Islands, to be manager, Darlington & Soissons, Montreal.

C. H. NADEAU, manager, Darlington & Soissons, Montreal, to be manager, St. Zotique & St. Denis, Montreal.

W. E. R. SUTHERLAND, of head office, to be manager, Snowdon-Hampstead, Montreal.

J. S. HUGHES, formerly secretary to general manager, head office, to be first assistant manager, King & Yonge, Toronto.

• • •

Royal:

R. B. MURRAY, manager, Victoria Ave., Westmount, Que., to be manager, West End, London, Eng.

G. A. STEPHENS, accountant, Sherbrooke & Bleury, Montreal, to be manager, Somerled & Cumberland, Montreal.

R. E. J. HINGSTON, manager, Halkirk, Alta., to be manager, Devon, Alta.

F. J. SCHWAB, Vancouver, B.C., to be manager, Britannia Beach, B.C.

W. G. HURLEY, supervisor's dept., Winnipeg, to be manager, St. Boniface, Man.

G. A. PRICE, accountant, Bonaventure, Montreal, to be manager, St. Laurent, Norgate, Que.

L. H. DALGLIESH, assistant accountant, Kingston, Jamaica, to be accountant.

C. PONCE DE LEON, to be accountant, Lima, Peru.

W. B. McNABB, assistant accountant, Guelph, Ont., to be accountant.

V. B. S. MARTIN, assistant accountant, Langley Prairie, B.C., to be accountant.

H. H. LAW, Hamilton, Ont., to be accountant, Wallaceburg, Ont.

• • •

Dominion:

JAS. CLUBB, to be manager, 124th St. & 102nd Ave., Edmonton.

W. B. CODD, accountant, Edmonton, to be manager, The Pas, Man.

A. H. MORRISON, formerly accountant, Queen & Ossington, Toronto, to be manager, Westdale, Hamilton, Ont.

W. R. LEAITCH, to be assistant manager, Ottawa, Ont.

E. G. WURTELE, formerly accountant, to be manager's secretary, Ottawa, Ont.

E. ARBIC, formerly accountant, Mount Forest, Ont., to be accountant, Madoc, Ont.

L. H. BIRBECK, to be accountant, Rouyn, Que.

A. H. CAVANAUGH, formerly accountant, Leaside, Toronto, to be accountant, Mount Forest, Ont.

J. B. CLEVELAND, formerly accountant, St. Clair & Dufferin, Toronto, to be accountant, Leaside, Toronto.

M. R. GRANT, formerly accountant, Madoc, Ont., to be accountant, Sarnia, Ont.

R. G. HENDERSON, to be accountant, Edmonton, Alta.

E. MUNDY, formerly accountant, Rouyn, Que., to be accountant, Brantford, Ont.

F. P. REYNOLDS, to be accountant, St. Clair & Dufferin, Toronto.

C. H. SEIP, formerly accountant, Sarnia, Ont., to be accountant, Ottawa, Ont.

W. R. SINGLETON, to be accountant, Queen & Ossington, Toronto.

Join Four Indian Banks As United Bank of India

Four banks in Calcutta, Bengal Central Bank; Comilla Banking Corporation; Comilla Union Bank and Hooghly Bank have amalgamated under the name of United Bank of India Ltd.

Businessmen Analyze What's Ahead for Industry

(Continued from page 13)

instance, is still a long way from catching up with the actual demand for cars, not to mention the still higher potential demand.

Assuming a defense program which does not preempt too great a proportion of its facilities, Canadian industry would likely be afflicted by only one difficulty, and that is the inability to get steel. Steel is basic to our economy, and the shortage has been persistent and is still continuing. Canada's future progress and expansion are definitely dependent upon a correction of this situation.

General price levels will probably rise. Labor and material costs have steadily increased throughout 1950, and are still pointed upward. Greatest inflationary pressure of all might be from basic raw material costs which will be influenced by scarcities occasioned by heavy demand for defense orders and stock piling here and in the U. S.

• • •

F. G. Winspear
President, Canadian Chamber of Commerce.

In the coming year Canadian businessmen face the necessity of an additional billion dollar production superimposed on an economy presently characterized by full employment. The trend of prices will depend on the extent to which the existing flow of consumer goods is maintained. There will be shortages of course, particularly in steel and heavy goods — this is reasonable to expect, but with greater articulation of the Canadian and American economies for defense purposes, supply difficulties will be energetically tackled and overcome. Increasing prices of consumer goods may best be battled by maintaining the present flow of production while only vitally necessary capital expenditures are incurred.

Exploration for oil, iron ore and base metals will continue. Progress may well be made on the development of the St. Lawrence waterways and power projects. It will be an active year in lumber production for both internal and export markets. Agriculture will play its traditional role.

Through their great business organization businessmen have come to know each other throughout Canada, have developed an appreciation of each other's problems, and they face the future inspired by an over-all view of the tremendous resources with which this nation is blessed.

• • •

P. A. Wootten
President, Vancouver Stock Exchange.

During the year 1950 general business in Canada, meaning broadly, production and trade or gross national product, increased from 20% to 25%. As we are undoubtedly in a strong period of expansion I believe it is very probable Canada will enjoy a similar gain for the year 1951.

The general price level should continue to work higher, accentuated by war necessities but the increase should be less than last year because of governmental controls which undoubtedly will be imposed in the United States, if not in Canada.

The major problem for 1951 is to control prices and wages and, at the same time, find sufficient manpower to meet the demands for increased production and for our armed forces.

• • •

Edward C. Wood
President, Imperial Tobacco Co.

On the eve of 1951 it may be prudently forecast that the well-being enjoyed in 1950 by Canada as a whole will be carried forward into the New Year. In volume, production promises to be high. Certainly it will be imperative to increase the total of goods and services being produced to avoid further inflation and possible shortages. That is the only real answer to all problems lying ahead. By this means alone can the commitments of the present and future be met. The international situation makes it most difficult to predict just what difficulties may be encountered in 1951. Our national defense program most likely will be the most important factor in our lives in 1951.

Experience of the past decade has clearly shown the fundamental soundness and immense resources of Canadian economy. This knowledge should enable Canadians to face the coming year with calm confidence.

• • •

H. G. Welsford
Vice-president and General Manager, Dominion Engineering Works Ltd.

The probable trend of business in 1951 has already been well reviewed at the annual meetings of some of the chartered banks. As they have rightly pointed out, the major problem to be faced is that of avoiding the inflationary consequences of greatly increased defense expenditure on top of an economy in which the labor force is already fully employed. Certain counter-measures of a financial nature have already been put into effect by the Government and further measures are contemplated especially in the direction of higher taxes. While necessary, these measures are not likely to prove sufficient to prevent inflation.

Higher taxes add to costs of production and to the cost of living and consequently stimulate demands for higher prices and higher wages. Therefore, higher taxes themselves are in effect inflationary. What is also needed under present circumstances is to increase the productivity of the labor force so that we can produce what is needed for defense with the least curtailment of goods necessary to satisfy consumers' wants.

This can be done by increasing the length of the working week, much reduced since the war, at least to prewar standards. Labor productivity can be increased by replacing obsolete equipment.

All this will call for a clear understanding by management and labor of the problem ahead of us and the closest co-operation between them. It has been well said that there is no way of buying security on the cheap. We can only obtain it at the cost of some personal sacrifice and hard work, and for business at the cost of assuming some risks of plant expansion which under ordinary conditions might seem unwarranted.

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NON-PROFIT HEALTH PLAN
is Still First
IN BENEFITS-PER-DOLLAR

Group Doctors and Hospital Plan

COMPARE THESE BENEFITS!

• NON-SURGICAL MEDICAL CARE, including allowances for doctors' fees, X-ray, etc., when in hospital for either sickness or accident.

• SURGICAL EXPENSES, including allowances for surgeons' and anaesthetists' fees, for surgery in or out of hospital.

UP TO $800.00 MAXIMUM DOCTORS' SERVICES IN ANY 12 CONSECUTIVE MONTHS

• PREGNANCY AND CHILDBIRTH, $50.00 for prenatal, delivery and postnatal care in or out of hospital. Plus hospital allowance of $6.00 per day up to 8 full days. Extra allowances for Caesarian delivery.

• HOSPITAL BENEFITS. Allowance of $7.00 per day for a total of 100 days' hospitalization in any 12 consecutive months (except first two days in non-surgical cases).

TOTAL ALLOWANCES FOR DOCTORS' PLUS HOSPITAL CARE $1500.00 IN ANY 12 CONSECUTIVE MONTHS

COMPARE THESE LOW COSTS!

	Doctors' and Hospital Benefits	Doctors' Services Only
Single Individual	$1.10 per Mo.	$ .70 per Mo.
Married couple	2.95 per Mo.	1.65 per Mo.
Married couple and all dependents.	3.70 per Mo.	2.40 per Mo.

A.M.S. Medical Plan is also available without Hospital Benefits if desired, as shown in the second column above.

LOWEST COST IN CANADA!

Associated Medical Services Inc. is Canada's pioneer non-profit organization, founded in 1937 by a group of doctors and laymen to provide prepaid medical care at the lowest possible cost. Over 86,000 Canadians now participate in its

MEDICAL, SURGICAL AND HOSPITALIZATION BENEFITS

The A.M.S. Group Plan for doctors' and hospital care removes the worry of high costs arising out of illness, accidents or childbirth . . .

. . . allows you to choose your own doctor and hospital . . . is good wherever you may go, anywhere in the world.

. . . offers protection for subscribers and their dependents for the high cost of severe illness. Check the list of benefits at left.

. . . costs less than any other plan offering comparable benefits. There are no dividends, no profits. 81c out of every dollar so far collected has been paid out in benefits. Any surplus is used to improve the service to subscribers.

. . . is open to any industrial, government or business organization employing ten or more persons. Special provision is made for subscribers who wish to retire or change their employment without losing their A.M.S. benefits.

ASSOCIATED MEDICAL SERVICES, INC.
Head Office: 615 Yonge St., Toronto, Phone RA 4193
District Offices: Ottawa and Hamilton

VICOUR MINES was active in the year ended May 31, 1950, taking an option on five fractional claims north of a Vicour claim on which an interesting shearing was uncovered giving low values in copper. Geological mapping followed by a magnetometer survey and subsequent stripping and trenching failed to show any continuity to the original showing or improvement in values and the option was dropped. All mining claims have been kept in good standing and net current assets of approximately $122,000 are reported at May 31, 1950.

HEAD OFFICE • TORONTO, CANADA

95th Annual Statement

30th November, 1950

ASSETS

Cash, Deposits with, and due from Other Banks		$ 89,117,373.
Dominion and Provincial Government Securities (Not exceeding market value)		183,688,993.
Municipal and Other Securities (Not exceeding market value)		25,590,405.
Call Loans (secured)		12,485,600.
Commercial and Other Loans		165,696,567.
Bank Premises		5,996,139.
Customers' Liability under Acceptances and Letters of Credit as per contra		4,506,359.
Other assets		74,938.
Total Assets		$487,156,374.

LIABILITIES

Deposits		$460,331,337.
Acceptances and Letters of Credit outstanding		4,506,359.
Liabilities to the public not included under foregoing heads		309,856.
Dividends declared and unpaid		330,656.
Capital	$ 6,000,000.	
Reserve Fund	14,000,000.	
Undivided Profits	1,678,166.	21,678,166.
Total Liabilities		$487,156,374.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1950, after making appropriations to Contingency Reserves, out of which full provision for bad and doubtful debts has been made		$ 2,560,692.
Less:		
Depreciation on Bank Premises and Equipment	$415,518.	
Provision for Dominion and Provincial Government Taxes	937,358.	1,352,876.
		$ 1,207,816.
Dividends	$840,000.	
Provision for Bonus to shareholders payable 15th January, 1951	120,000.	960,000.
Balance of Profits carried forward		$ 247,816.
Balance of Profit and Loss Account, 30th November, 1949		$ 1,430,350.
Balance of Profit and Loss Account, 30th November, 1950		$ 1,678,166.

J. L. CARSON, *President* L. G. GILLETT, *General Manager*

THE BANK OF TORONTO
Incorporated 1855

GET THE "General" IDEA

WHEN you have an insurance problem get the "General" Idea. Your cheerful General Accident Agent is trained to give you counsel and coverage no matter what your problem. We write Automobile, Accident and Sickness, Liability, Burglary, Plate Glass, Boiler and Electrical Machinery, Guarantee Bonds, Inland Transportation, Personal Property, Fire—practically all forms except life. That's why we say, "When you have an insurance problem, get the General Idea."

The GENERAL ACCIDENT Group

Head Office, 357 BAY ST., TORONTO 1

SCOTTISH UNION and NATIONAL INSURANCE COMPANY

NOTICE is hereby given that The Scottish Union and National Insurance Company has received Certificate of Registry No. C1264 authorizing it to transact in Canada the business of All Accident Insurance, Plate Glass Insurance and Theft Insurance, in addition to the classes of business for which it is already registered.

ALEX. S. HAMILTON,
Chief Agent for Canada.

United States Fidelity & Guaranty Company

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Automobile and General Casualty Insurance
Lumbermens Mutual Casualty Company
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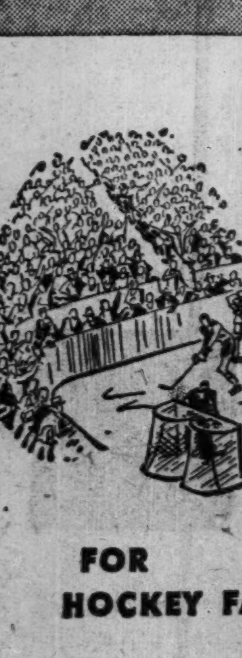
Agency Inquiries Invited
"THE SAFETY-MINDED COMPANY"
R. C. DAHLMANN, Res. Vice-Pres., Concourse Bldg., Toronto, Elgin 3355

Thrill on Ice



No winter visitor from south of the border willingly misses a chance to see the famous Maple Leafs in action. But all over Ontario there is fine hockey to be seen. Each arena can be made an attraction to tourists who contribute so much to the prosperity of our province. Let all of us do all we can to make them want to come back. John Labatt Limited.

FOR HOCKEY FANS Labatt's BREWERS SINCE 1832
UNION MADE

CONSTRUCTION TRENDS — By JOHN CALLFIELD SMITH

Big Question Mark in Building Trades: What Will They Be Allowed to Build?

The only sure things about the building picture for 1951 are that buyers are going to be awfully nice to suppliers, and foremen will be speaking very gently to workmen.

Outlook is for a year of continuing activity at capacity levels in all branches of construction. Chief limiting factors are availability of certain materials, notably iron and steel products, and skilled workers. Higher costs appear indicated.

Biggest question mark in building: where will emphasis be placed?

Possibility of a preparedness slow-down if Communist world moves towards peace is regarded as academic. If there's all-out struggle, striking gains in the industrial category are likely, with limitations placed on residential and commercial building.

Increase in defense construction is not substantial, by itself, in relation to the total $2.5 billions program carried out this year. But it is being imposed at a time when the building industry's resources are already strained. Other aspects of the defense and allied programs are apt to further aggravate the situation. More priority allocations and restrictions may have to be imposed.

Canada's construction industry will seek to serve 1951 demand both by expanding its capacity and by appealing to private enterprise and all levels of government to defer non-essential projects.

Only if this is done, can defense and essential civil building needs be met quickly and efficiently.

* * *

U. S. Construction

Building in United States in 1951 will be down from 1950 but, it's still expected to be a big year by previous standards.

As construction shifts to U. S. defense industrial projects, a cut in housing seems inevitable. It may run as high as 40%. Hardest hit will be large-scale developers and families with small cash savings.

Effect of uncertainty is shown in falling off of land site purchases and questioning, by lending institutions, of builders' ability to finish projects. Marked decline in housing starts, however, is not expected to show for three or four months.

Decline of 15% in dollars spent on all construction is estimated. At the same time, 1951 is expected to surpass every year except 1950 in dollars spent, and every year but the 1948-1950 period in physical volume.

This outlook takes for granted that defense spending will grow according to the schedule laid down by U. S. planners. If full war breaks out, the picture will change again.

* * *

Space at Premium

In Toronto, Edmonton and Vancouver, better class office space is not at present available, with very little second class space on the market.

In Montreal, some better class space is available but it is rapidly being taken up, says John A. Church, president of the Building Owners' and Managers' Association of Toronto.

In the event of increased demand for government occupied space in these centres, the situation could become highly critical. It could only be alleviated by further construction or by displacement of present tenants.

* * *

C. C. A. Convenes

Thirty-third annual meeting of the Canadian Construction Association will be held Jan. 21-24 at the Chateau Frontenac, Quebec City, with E. M. Seale as convention chairman.

Guest speakers are to be:

Annual Dinner—Hon. Maurice L. Duplessis, Prime Minister of Quebec.

Tuesday Luncheon — Hon. Robert H. Winters, Minister of Resources & Development.

Tuesday Dinner—Col. Willard Chevalier, Publisher of "Business Week," New York.

Wednesday Luncheon—Max W. MacKenzie, Deputy Minister of Trade & Commerce.

Special CPR trains leave Toronto for Quebec City shortly after 11 p.m. Saturday, Jan. 20, and return from Quebec City at 1 a.m. Thursday, Jan. 25.

* * *

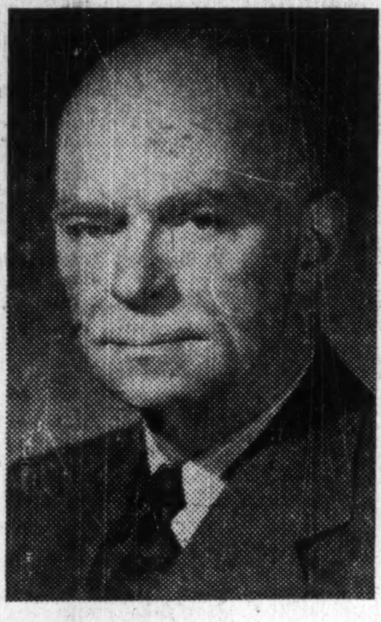
Atomic Heating

Plans are being made to harness atomic energy to heat the buildings at Britain's Harwell Experimental Establishment. If the project is successful, whole towns near "atom cities" may be heated the same way.

In making the announcement, the Ministry of Supply states that designs for atomic central heating are already on the drafting boards, and construction will start on the first plant early in 1951. Only hitch is that engineers can't decide whether to transfer the heat into hot water or electricity for use as the heating medium.

According to one official: "When an atomic pile is in operation, it generates a heat of several hundred degrees centigrade. One of the difficulties standing in the way of utilizing this heat is in finding metals which will stand up to it.

"Normally the pile is air-cooled, which means that a current of air is padded through it and drawn off through a tall chimney, after being filtered. We now want to use that heat at Harwell, without, of course, exposing anyone to the danger of radioactivity."



C. B. DAVIS

has been appointed vice-president (woodlands), Abitibi Power & Paper Co.

Nova Scotia Municipal Totals Show Net Debenture Debt Up

Marked increases in the total net debentures of all municipalities net assessments of cities, towns and rural municipalities, taxes levied and collected were features of finance in Nova Scotia's municipalities for 1949 according to statistics released by W. E. Moseley, Deputy Minister of Municipal Affairs.

Total net debentures debt at the end of the calender year was $22,980,678 compared with $22,362,931 in 1948 and $19,486,269 in 1947. The increase from 1945 to 1949 amounted to $6,755,867, or approximately 41.5%. This increase was almost entirely in cities and towns.

Net assessments of cities, towns and rural municipalities has shown a steady increase since the beginning of the war. Total municipal assessment of the province at year's end was approximately $231 millions ($184.6 millions). While part of the increased assessment is due to normal growth, part also is due to closer adherence to provisions of the Assessment Act, Mr. Moseley says.

Taxes levied also showed an uninterrupted increase since 1939. Total tax levies of all municipalities in 1949 was approximately $13.6 millions compared with $7.4 millions in 1939. Tax levies of rural municipalities included in the general total increased from $1,623,687 to $2,974,631 over the period.

While tax collections were also higher, the proportion collected, while better than 1939, shows a definite drop from the war years (1941-1945). In those years, all classes of municipalities were collecting the full levy and arrears. Collections during 1949 totaled $13.2 millions compared with $12.3 millions in 1948 and $6.98 millions in 1939.

CORPORATE INVESTORS LTD. has declared a dividend of seven cents, payable Jan. 15, 1951, to shareholders of record Dec. 30, 1950. This change in dividend date arises through the fact that in future the company's fiscal period will end on Dec. 31; after this payment dividends will be paid at regular quarterly intervals. This distribution is the largest in the history of the fund. Three dividends totaling 17 cents will have been paid for the eight-month period ending Dec. 31, 1950.

Alberta Municipal Figures Show Debenture Debt Up 29%

Marked increase in the total assessment, in total taxation and in net debenture debt were features of finance of Alberta's municipalities for 1949, according to statistics issued by J. W. Judge, Deputy Minister of Municipal Affairs.

Current total assessment totaled $671.8 millions, an increase of $45.1 millions or 7.2% over the 1948 assessment of $626.7 millions. In the cities, assessment showed an increase for the ninth consecutive year, this year increasing by $20,259,967 to $224.3 millions.

Current tax levies for 1949 amounted to $35.0 millions—an increase of $2.6 millions or 8.1% over the 1948 levy of $32.4 millions. In the cities, current levy increased $1,667,415, from $11.6 millions in 1948 to $13.3 in 1949.

Debentures debt increased by $10.33 millions—or 29.6%—from $34.9 millions in 1948 to $45.2 in 1949. Largest proportion of this increase was in the cities where debenture debt increased $8.78 millions, from $31,027,763 in 1948 to $39,808,705 in 1949.

In the year, population of the cities showed an increase of 18,002, from 278,926 in 1948 to 296,928 in 1949 in seven cities.

C.C.C. Defense Contracts

Contractors awarded defense business in excess of $5,000 during period Dec. 11 to 16, 1950.

Contractor	Commodity	Est. Value
Ahearn & Soper Co., Ottawa	Communication & elect. equip.	$ 5,666
Aircraft Appliances & Eqpt., Toronto	Aircraft parts	28,971
Aluminum Co of Can., Montreal	Aluminum	10,602
Aviation Electric Ltd., Montreal	Aircraft accessories	7,722
Babb Co. Can., Dorval, Que.	Ordnance	13,422
Bancroft Industries Ltd., Montreal	Aircraft parts	13,461
Beaudet & Fils, Quebec	Construction	31,954
Becker, W. C. Eqpt. Co., Toronto	Automotive spares & electrical eqpt.	16,713
Berger, E. A. & Co., St. Johns, Que.	Repairs to building and plumbing	6,625
Birks, Henry & Sons Ltd., Ottawa	Gilding of medals	8,912
Br. American Silk Mills Ltd., Montreal	Nylon cloth	11,570
Bristol Aeroplane Co., Montreal	Aircraft repair & overhaul	75,000
Bruck Mills Ltd., Montreal	Nylon cloth	69,525
Can. Creosoting Co., Calgary	Powerline poles	13,507
Can. Packers Ltd., Toronto	Foodstuffs	7,909
Canadair Ltd., Montreal	Aircraft parts	10,115
Casey, E. R. Construction Co., Montreal	Repair & alteration of buildings	9,000
Cdn. Car & Foundry Co., Montreal	Aircraft repairs & parts	842,523
Cdn. Cottons Ltd., Montreal	Cotton goods	35,622
Cdn. Durex Abrasives Ltd., Brantford	Packaging materials	25,485
Cdn. Fairbanks-Morse Co., Ottawa	Industrial & auto. eqpt.	37,169
Cdn. General Electric Co., Ottawa	Commun. & elec. supplies	18,406
Cdn. Johns-Manville Co., Winnipeg	Plumbing & heat. supplies	9,285
Cdn. Kodak Sales Ltd., Toronto	Photographic eqpt.	5,835
Chrysler Corp. of Can., Windsor	Automotive eqpt. & spares	9,165
Collins & Aikman of Can., Farnham, Que.	hermopile lining	103,680
Crothers, Geo. W. Ltd., Toronto	Tractors, semitrailers & generating sets	111,780
Dalton Fuels Ltd., London	Coal	18,275
De Havilland Aircraft of Can., Toronto	Aircraft overhaul, repair & parts	419,161
Dixon, William E. Mfg., Toronto	Cloths, mop string	7,470
Dom. Coal Co., Halifax	Coal	34,110
Dom. Rubber Co., Montreal	Footwear	10,080
Duncan Textile Ltd., Toronto	Uniforms	37,170
Dowty Eqpt. of Can., Ajax, Ont.	Aircraft repair & overhaul	6,724
Dunlop Tire & Rubber Goods, Toronto	Aircraft tires	84,483
Electronic Materials Int. Ltd., Ottawa	Communication eqpt.	12,135
Emerson, W. E. & Sons, Saint John, N.B.	Alterations to heating system	5,000
Federal Electric Mfg. Co., Montreal	Communication eqpt.	7,008
Flexo Cotton Products, Niagara Falls	String mops	10,930
Ford Motor Co. of Can., Windsor	Automotive eqpt.	24,075
General Motors Products, Oshawa	Trucks	20,000
General Paint Corp. of Can., Vancouver	Paint	16,284
Goodyear Tire & Rubber Co., Toronto	Aircraft tires	37,495
Granby Elastic Web of Can., Granby, Que.	Vests, string nylon	80,215
Hand, T. W. Fireworks Co., Cooksville, Ont.	Distress signals	17,480
Holden Mfg. Co., Ottawa	Sleeping bags	37,128
Ideal Upholstering Co. Ltd.,	Furniture & furniture repairs	6,996
Irvin Air Chute Ltd., Fort Erie, Ont.	Webbing cotton	25,531
Jones Tent & Awning Ltd., Vancouver	Signal flags	16,161
Kerr, S. A., Toronto	Automotive spare parts	35,910
Levy Auto Parts Co., Toronto	Automotive spare parts	223,017
MacDonald Bros. Aircraft, Winnipeg	Aircraft repairs & parts	264,775
Machine Products Corp., Montreal	Cupboards & lockers	23,590
Majestic Soap Ltd., Montreal	Soap	6,750
McDonald Bros. Eqpt., Ottawa	Automotive spares	14,250
McFarland, H. J. Construction Co., Picton, Ont.	Road repairs	9,991
Miner Rubber Co., Granby, Que.	Footwear	11,446
Mussens Can. Ltd., Montreal	Steam generator & Herman Nelson heaters	15,578
Newman, S. H. Co., Toronto	Household appliances	7,080
North West Sportswear Co., Toronto	Parka coats	96,390
Northern Electric Co., Ottawa	Communication & elec. eqpt.	8,841
Power Plant Contractors Ltd.,	Installation of stokers	8,052
Prince Hat & Cap Mfg., Montreal	Winter caps	50,000
Roe, A. V. Can. Ltd., Toronto	Aircraft repairs	84,300
Ross Smith Co., Montreal	Aircraft covers	200,000
Rubenstein Bros. Ltd., Montreal	Army greatcoats	119,328
Ryder, J. H. Machinery Co., Montreal	Warehouse towing tractors	9,640
Shell Oil Co. of Can., Toronto	Petroleum products	11,197
Shieff, E. I. Co., Winnipeg	Transportation of stores	12,390
Sicard Inc., Montreal	Automotive eqpt. & parts	46,730
Simkins Construction Co., Winnipeg	Snow removal	8,000
Soper Singleton Electric Co., Edmonton	Electrical & fire fighting eqpt.	6,224
St. Johns Textile Mills Ltd., St. Johns, Que.	Woolen goods	229,997
Standard Soaps of Can., Toronto	Soap	5,580
Star Glass Ltd., Montreal	Mirrors	43,828
Sterling Clothing Co., Montreal	Army greatcoats	110,900
Super Knitting Mills, St. Hyacinthe, Que.	Cotton undershirts	47,244
Superior Brush Mfg. Co., Montreal	Brushes	9,571
Tip Top Tailors Ltd., Toronto	Uniform jackets	237,993
Toronto Carpet Mfg. Co., Toronto	Rugs	54,765
Trailmobile Can. Ltd., Toronto	Refrigerator truck bodies	10,277
Uniform Cap Mfg. Co., Ottawa	Winter caps	52,500
West End Contractors Co., Winnipeg	Supply & installation of doors	5,543
Williamson Co. of Can., Toronto	Photographic supplies	9,956
Total		$4,565,168

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SUN LIFE ASSURANCE COMPANY OF CANADA

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 256

NOTICE is hereby given that a DIVIDEND OF TWENTY-FIVE CENTS per share on the paid-up Capital Stock of this Bank has been declared for the quarter ending 31st January, 1951, and that the same will be payable at the Bank and its Branches on and after THURSDAY, the FIRST day of FEBRUARY, 1951, to Shareholders of record at the close of business on 30th December, 1950. The Transfer Books will not be closed.

By Order of the Board.

JAMES STEWART,
General Manager.

Toronto, 15th December, 1950.

THE DOMINION BANK

DIVIDEND NO. 273

Notice is hereby given that a dividend of twenty-five cents per share upon the paid up capital stock of this Bank has been declared for the quarter ending 31st January, 1951. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the first day of February, 1951, to shareholders of record of the 30th December, 1950.

By Order of the Board.

A. C. ASHFORTH,
General Manager.

Toronto, 14th December, 1950.

ENAMEL & HEATING PRODUCTS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of 35c per share has been declared on the issued and outstanding Capital Stock of the Company, payable on Wednesday, January 31st, 1951, to Shareholders of Record at the close of business December 30th, 1950.

By Order of the Board of Directors.

A. R. FRENCH,
Secretary-Treasurer

December 18, 1950.

DOMINION WOOLLENS & WORSTEDS, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of twelve and one-half cents (12½c) per share on the No Par Value Common Shares of the Company will be payable on the 1st day of February, 1951, to shareholders of record the 15th day of January, 1951.

By Order of the Board.

S. W. HAUFSCHILD,
Secretary-Treasurer.

Toronto, Ont., December 21, 1950.

McINTYRE PORCUPINE MINES, LIMITED

(No Personal Liability)

Dividend No. 141

Notice is hereby given that a dividend of fifty and one-quarter cents (50¼c) per share in Canadian currency will be paid on March 1, 1951, to shareholders of record at the close of business February 1, 1951.

By Order of the Board.

W. B. DIX,
Treasurer.

Dated at Toronto, December 15, 1950.

DONNELL & MUDGE LIMITED

DIVIDEND NOTICE

Notice is hereby given that the Directors of Donnell & Mudge Limited have declared the regular quarterly dividend of 25c per share on the outstanding Class "A" Shares of the Company, for the quarter ending 31st December, 1950, payable 1st January, 1951, to holders of record at the close of business on the 27th day of December, 1950.

By Order of the Board.

H. C. DWYER,
Secretary.

Dated at New Toronto, Ontario, 20th December, 1950.

The Great West Saddlery Company Limited

COMMON STOCK

A dividend of One Dollar ($1.00) per share for the year ending December 31st, 1950, on the Common Stock has been declared and authorized to be paid on December 30th, 1950, to all Common Shareholders of record with the Transfer Agents of the Company at the close of business on December 20th, 1950.

By Order of the Board.

J. S. HENDERSON,
Secretary.

Winnipeg, Manitoba, December 18, 1950.

WESLEY MASON MILLS LIMITED

DIVIDEND NOTICE

Preferred Shares

A dividend of One Dollar and Thirty-seven and One-half Cents ($1.37½) per share on the 5½% Cumulative Redeemable Sinking Fund Preferred Shares of the Company has been declared for the three months ending January 31, 1951, payable February 1, 1951, to shareholders of record January 15, 1951.

By Order of the Board.

N. E. DRYSDALE,
Secretary-Treasurer.

Montreal, December 15, 1950.

N. SLATER COMPANY LIMITED
HAMILTON - CANADA

DIVIDEND NOTICE

The Board of Directors of this Company have declared a quarterly dividend of 53 cents per share on the outstanding Preferred Stock of the Company, payable in Canadian funds on January 15th, 1951, to shareholders of record at the close of business on January 3rd, 1951.

They have also declared a quarterly dividend of 45 cents per share on the outstanding Common Stock of the Company, payable in Canadian funds on February 1st, 1951, to shareholders of record at the close of January 10th, 1951.

J. G. DAVIES,
Secretary.

December 14th, 1950.

DIVIDEND NOTICES

BURNS & CO. LIMITED

Dividend Notice

Directors of the Company have declared Quarterly Dividends payable in 1951 on Class "A" and "B" shares of the Company as follows: January 27, Class "A" $1.50; Class "B" 50c; April 27, Class "A" and "B" 50c each; July 27, Class "A" and "B" 50c each; Oct. 27, Class "A" and "B" 50c each; payable to shareholders of record the 7th of each dividend month.

National Trust Company Limited is the Transfer Agent with offices at Toronto, Winnipeg, Edmonton and Vancouver.

R. J. Dinning,
President.

Reitman's (Canada) Limited

PREFERRED DIVIDEND NO. 15

Notice is hereby given that a quarterly dividend of 1¼% (25c) per share has been declared on the outstanding 5% Cumulative Redeemable Preferred Shares of the Company, payable on February 1st, 1951, to shareholders of record at the close of business on January 15th, 1951.

By Order of the Board.

JACK REITMAN,
Secretary-Treasurer.

Montreal, December 15th, 1950.

Reitman's (Canada) Limited

COMMON DIVIDEND

Notice is hereby given that a quarterly dividend of 25c per share has been declared on the outstanding Common Shares of the Company, payable on February 1st, 1951, to shareholders of record at the close of business on January 15th, 1951.

By Order of the Board.

JACK REITMAN,
Secretary-Treasurer.

Montreal, December 15th, 1950.

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held today the following dividends were declared:—

On the Preference stock, a final dividend of two per cent in respect of, and from earnings for, the year 1950, payable on February 1, 1951, to stockholders of record at 3 p.m. on December 29, 1950.

On the Ordinary Capital stock, a final dividend of four per cent (one dollar per share) in respect of the year 1950, payable in Canadian funds on February 28, 1951, to shareholders of record at 3 p.m. on December 29, 1950.

The Directors point out that net earnings from railway operations for the year continue to show improvement over last year; three per cent of the dividend declared today on the Ordinary Capital stock is attributable to income from railway operations and one per cent is to income from other sources.

The interim dividend declared in August last was attributable to income from sources other than railway operations and the total dividend for the year is thus at the rate of six per cent, one half from each source.

In recent years the declaration of the final dividend has not been made until after the close of the year to which the dividend applied. In future, so far as may be possible, an announcement in respect of a final dividend will be made before the close of the year.

By order of the Board.

FREDERICK BRAMLEY,
Secretary.

Montreal, December 11, 1950.

STANLEY BROCK LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of 15 cents per share on the outstanding Class A Shares of the Company and 10 cents per share on the outstanding Class B Shares of the Company has been declared payable February 1, 1951 to shareholders of record January 10, 1951.

By Order of the Board.

C. W. H. ROUTLEY, C.A.,
Treasurer

Winnipeg, Manitoba, December 15, 1950.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of FORTY CENTS (40c) per Share on the Outstanding No Par Value Shares of this Company has been declared for the quarter ending 31st January, 1951; also an extra distribution of ONE DOLLAR AND FIFTY CENTS ($1.50) per Share from accumulated surplus, both payable 23rd February, 1951, to Shareholders of record at the close of business on the 31st January, 1951.

By Order of the Board.

F. W. EVENS,
Secretary.

Montreal, Que., 19th December, 1950.

UNITED DISTILLERS OF CANADA

Notice of Dividend

NOTICE is hereby given that a Dividend of $1.00 per share has been declared by the Directors of the United Distillers of Canada Limited, payable in Canadian Funds, on January 5th, 1951, to shareholders of record at the close of business on December 29th, 1950.

The Transfer Books will be closed from the 29th day of December, 1950, to the 11th day of January, 1951, both dates inclusive.

By Order of the Board.

N. H. PETERS,
Secretary.

Vancouver, B.C
December 16, 1950

OIL PRODUCTION

Redwater Largest Producer In Latest Week in Alberta

From Our Own Correspondent

CALGARY — Although production at Redwater decreased nearly 5,550 bbl. to 34,088 bbl. daily in the latest week of record, the field was by all odds Alberta's largest producer.

In second place was Leduc-Woodbend with an output of 27,024 bbl., a slight increase over the previous week. Turner Valley averaged 9,525 bbl. daily.

Seven other fields contributed to production which averaged 81,370 bbl. daily for the entire province.

* * *

New Successes for Gulf

Three further wells have been placed on production by Canadian Gulf Oil Co., two at Stettler, one at rapidly-growing Big Valley.

The new Stettler producers — Gulf's 14th and 15th in that field — are Gulf-N. J. Ellis No. 9 L.S.D. 9 10-38-20w4, about three eighths of a mile northeast of No. 7 oil well; and Gulf-Ernest Leschert No. 5, L.S.D. 5 14-38-20w4.

Both wells were completed in the D2 zone of the Devonian formation, the No. 9 with a daily potential of 1,920 bbl. daily, the No. 5 well with an 1,896-bbl. potential.

The new Big Valley producer, the company's fourth in the area, is Gulf-Big Valley No. 5 Section 10-35-20w4, three-eighths of a mile northwest of the No. 3 well. This well rated a potential of 1,440 bbl. from the D2 zone.

New wells are being completed at Big Valley, in south Redwater and at Stettler.

* * *

New Test For Brazeau

A new wildcat test, Plateau-Chungo No. 1 well, is to be drilled in the North Brazeau area, 155 miles northwest of Calgary. It represents the fourth foothill structure to come under development in recent months.

Located 11 miles northwest of the Home-Brazeau No. 1 well which found a large volume of wet gas when drilled 10 years ago, the latest venture was selected by Dr. J. O. G. Sanderson who made the surveys on which previous drilling was based. The Madison limestone is the objective of the latest test with shallower sands expected to hold oil and gas potentialities as well.

Plateau Petroleums is backing the present test under an agreement with Chungo Oil Holdings of Calgary, which holds a 37-mile long spread of 156,580 acres. Plateau is to get 10,000 acres in checkerboarded quarter sections from the leases which may be acquired from the reservation area.

Well site is L.S.D. 7 23-44-19w5 about 43 miles northwest by road from the coal mining town of Nordegg. Plateau built its own road into the site last fall, now has camps established with drilling expected to start early in January.

* * *

Spring Coulee Clicks

National Petroleum Corp. and Consolidated Cordasun Oil have what appears to be the best oil completion to date in the Del Bonita-Milk River-Spring Coulee area of southwest Alberta.

The team's National-Cordasun-Milk River No. 2 well, placed on production from the Madison, turned out 1,063 bbl. of 39 gravity crude oil in six and a fraction days up to Dec. 20.

S. Myron Zandmer, president of National Pete., expresses the hope that the No. 2 well has put the company on the track of commercial production in an area where exploration has been under way for several years. No. 1 well is reported to be producing about 15 bbl. of oil daily.

The well, located on L.S.D. 16 24-1-22w4, is owned 50-50 by National and Consolidated Cordasun. The two companies jointly hold 640 acres in the area while National, on its own, holds an additional 20,000 acres or more in the general Del Bonita-Spring Coulee area.

DIVIDEND NOTICES

DOMINION FABRICS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 37½c per share has been declared on the Second Cumulative Participating Preference shares; and a dividend of 20c per share on the Common shares of the Company, together with a special bonus of 20c per share on the Common stock for the quarter ending January 31, 1951, payable February 1, 1951, to shareholders on record January 15, 1951.

By Order of the Board,

WILLIAM CAMELFORD,
Secretary.

ATLANTIC WHOLESALERS, LIMITED

DIVIDEND DECLARED

At a meeting of the Directors of Atlantic Wholesalers, Limited held at the Head Office of the Company at Sackville, N.B. on December 15, 1950, the regular quarterly dividend of 10c per share, plus an extra dividend of 10c per share, on the Class "A" and Class "B" Shares of the Company's Stock was declared payable January 2, 1951, to shareholders of record December 15, 1950.

R. G. SHARPE,
Secretary.

COMMOIL LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 5 cents per share has been declared on the outstanding no par value shares of the Company, payable February 26, 1951, to shareholders of record at the close of business on February 9, 1951.

The transfer books of the Company will not be closed.

By Order of the Board,

J. C. THOMSON,
Secretary.

December 21, 1950.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of one dollar ($1.00) per share has been declared on the Common Shares of the Company, payable February 15th, 1951, to shareholders of record December 29th, 1950.

By Order of the Board.

W. P. RILEY,
President.

Winnipeg, Man.,
December 20, 1950.

GUARANTY TRUST
Company of Canada

62nd CONSECUTIVE DIVIDEND

NOTICE is hereby given that a dividend of 1¼%, being twelve and one-half cents per share and at the rate of 5% per annum on the paid-up capital stock of the Company, has been declared for the quarter year ending Dec. 31st, 1950, payable Jan. 15th, 1951, to shareholders of record at the close of business Dec. 31st, 1950. By order of the Board.

J. WILSON BERRY
President & General Manager

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BRITISH COLUMBIA FOREST PRODUCTS net profit for the year ended Sept. 30, 1950, showed a sharp improvement at $2,994,733 ($1,208,880). The improvement was partly a result of the starting of a second shift at the Victoria mill on May 1, increasing production at the Cowichan mill; increased utilization of waste products at the Hammond and Victoria mills; and greater efficiency as a result of heavy capital expenditures in last few years, the annual report states. Lumber produced and shipped reached a new high figure in excess of 240 millions bd. ft.

During the year $3,805,515 was spent on improving efficiency of logging and manufacturing operations by increased mechanization and on building up reserves of accessible timber. It is proposed to continue this policy and substantial future capital expenditures can be anticipated.

The year has been notable for decreased volume shipped to the sterling area markets by the industry as a whole and by the fact that the U.S. market enjoyed a housebuilding boom which absorbed all the lumber made available to it, thus ensuring full production and sales for the industry, President E. P. Taylor states.

The U.S. market experienced a severe decline in September, partly as a result of U.S. Government building restrictions. The sterling market areas, however, because of shortages from other areas and an improved dollar position, have resumed buying in some volume. In addition the outlook for sales in the Canadian market, particularly in the East, appears to be promising, it is said.

Sharply improved working capital position reflected proceeds from a $4 million first mortgage sinking fund bond issue made to reimburse company in part for capital expenditures made since June 1, 1946, and to provide a fund for future expenditures.

CONSOL. INCOME ACCOUNT

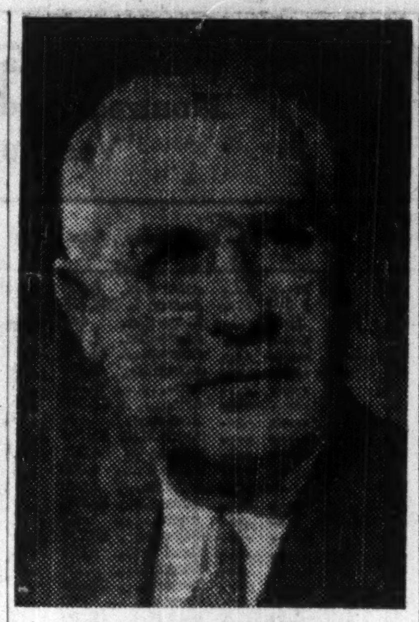
Years Ended Sept. 30:	1950	1949
Net earnings	$7,145,409	$3,801,591
Less: Depr.	1,288,365	1,248,289
Depletion	493,734	399,759
Funded debt int.	220,825	189,500
Other int.	......	3,340
Amort. bd. disc.	5,250	5,250
Bond disc. & exp.	179,269	......
Income taxes	1,982,000	785,000
Add: Prof. on equip. sold	13,767	38,427
Net profit	2,994,733	1,208,880
Less: Divds.	600,000	600,000
Surplus for year	2,394,733	608,880
Times Bond Interest Earned:		
Before depr. & depl.	32.36	20.06
After depr. & depl.	24.29	11.36
Earnings per Share and Dividend Record:		
Common	$1.50	$0.60
Paid	0.30	0.30

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1950	1949
Cash	$1,400,796	$1,332,533
Deposit, Tr. Co.	3,000,000	......
Accts. rec., etc.	2,016,034	1,450,455
Inventories	6,564,819	4,720,659
Total curr. assets	12,981,649	7,503,647
Prepaid expenses§	354,481	243,716
Misc.‡	413,856	1,635,374
Timber dev.	1,037,787	......
Timber holdings	8,794,884	7,199,098
Bldgs. & equip.*	5,138,918	4,702,402
Total assets	28,721,575	21,284,237
Accts., tax., etc., pay.	3,798,685	2,798,092
Bonds due	500,000	300,000
Total curr. liabs.	4,298,685	3,098,092
Def. liability	606,000	551,079
Funded debt	8,300,000	4,800,000
Capital stock	7,475,000	7,475,000
Earned surplus	8,041,890	5,360,066
*After depr. of	4,492,956	3,529,510
‡Incl. ref. EPT	4,546	199,590
§Included in curr. assets in co's report.		
Working capital†	8,682,964	4,405,585

†Note—Working capital as defined in bond trust deed was $9,537,445 at Sept. 30, 1950; $4,949,271 at Sept. 30, 1949.

POINTE CLAIRE, QUE., has sold $67,500 3% bonds due Nov. 2, 1951-55, $67,500 3¼% due 1956-60, and $159,000 3½% due 1961-70, to Banque Canadienne Nationale, Casgrain & Co. and McNeil, Mantha Inc., at 98.54. Net cost 3.585%. Proceeds for waterworks, sewers, pavings, etc. Net consolidated debt $712,300 at Dec. 31, 1949. Population 8,140.



CHARLES W. STEPHENS
has been appointed general manager, Dominion Paper Box Co., Toronto.

Deny Reports Gt. Lakes Paper Control Fight

Recent strength and activity in Great Lakes Paper Co. common stock was a current topic of conversation in financial circles. The stock moved to a high of $32½ a share early last week — up from $26½ a share in the previous 10 days on heavy trading volume but has slipped off to about $30½ a share this midweek.

Many rumors have been flying around. They include the possibility of a fight for control, and of an offer being made by another company — among whom St. Lawrence Corp. and Abitibi Power & Paper are mentioned — for a controlling interest.

"I have no knowledge of any fight for control such as is rumored and have not been approached nor have any knowledge of any other company trying to buy control," Hon. W. Earl Rowe, president and managing director, told The Financial Post in reply to a question. "There is nothing I know of that warrants the current talk of a fight for control," he added.

D. W. Ambridge, president of Abitibi Power & Paper, also denied unequivocally that his company was interested.

Neither St. Lawrence Corp. nor the Taylor-McDougald interests have anything to do with any attempt to get control of this stock, The Post was also assured officially.

Another report was that certain shareholders of B. C. Pulp & Paper were using the proceeds of the sale of that company's stock to buy into Great Lakes Paper. At least one has purchased a block of stock but solely as an investment, The Post understands.

What seems more likely is that, with the current interest in pulp and paper securities, investors were looking over the field for a security which they felt might be behind the general market. Buying in the stock for investment purpose may have started the rumors.

Earnings were equal to $3.49 a common share in 1949, down from $4.06 a share in 1948. For the first nine months of 1950 earnings were equal to $3.65 a share. If Great Lakes Paper were to show the same net profit in this quarter as it did in the third, its net for the whole year 1950 would be up about 39% from 1949 net and equal to about $4.80 a common share.

At its high of $32½ a share, the stock would be selling under 6.8 times the above estimated earnings. Further, with the strong demand for pulp and the upward trend in its prices, the earning outlook for 1951 seems favorable — factors which may account for some of the market strength in the stock.

Western Bakery Trial Adjourned

From Our Own Correspondent

CALGARY — Mr. Justice Boyd McBride recently reserved his decision on defense application for trial by judge and jury, and adjourned until Jan. 8 the trial against six western bakery concerns charged with combining to prevent or lessen competition (The Financial Post, Dec. 9).

New Newspr't Output Mark In Sight For Canadian Mills

MONTREAL (Staff) — Canadian newsprint producers are well on the way to setting a new high in production in 1950. Despite a production rate slightly below capacity in the first quarter, on the basis of 11 months' output, 1950 output appears likely to reach 5,275,000 tons compared with 5,176,327 in 1949, the previous record year.

November output totaled 456,743 tons, bringing the 11 months' aggregate to 4,848,034 (4,761,455 in the corresponding 1949 period). The November production rate was 103.2% of rated capacity compared with 101.2% a year ago when output was falling off due to loss of overseas orders. December is also expected to be a capacity-plus month, well ahead of December, 1949 when output was at a rate of 1.6% below capacity.

The United States, which gets about 80% of its supply in Canada (81.4% in November), continues to consume newsprint at a record rate. Eleven-month consumption of nearly 5.4 million tons was up 6.7% over a year ago, with November 7.7% higher. U. S. advertising linage was up 5.8% in the first ten months this year.

Canadian shipments to the United States are well ahead, totaled 350,000 tons (11.4%) more than last year at the end of November. However, despite these increased deliveries, U. S. consumer's stocks of newsprint decreased in November to 37 days' supply against 41 days a year ago.

Drop in overseas business is pointed up by export figures. Newsprint shipments to countries other than the United States and Canada (shipments to Canadian customers are up 7.5%) were only 188,575 tons, down 240,000 tons from last year. Biggest declines: British Isles, from 115,000 to 27,000; Australia and New Zealand, 73,000 to 30,500; Africa, 54,000 to 8,000; Central America and Caribbean, 103,000 to 81,000.

Investments For Overseas

(Continued from page 18)

prove profitable for Canada in the sense that they would earn a return in U. S. dollars which might ultimately strengthen Canada's balance of payments position. It is recommended that consideration be given to relaxing the requirements of the Board with a view to providing U. S. dollars for direct investment in productive enterprises in this area, particularly in countries where no restriction exists on the remittance of profits in U. S. dollars, or where an agreement can be negotiated that no such restriction will be imposed.

6. It is recommended that the Canadian Income Tax Act be amended to provide that dividends received by Canadian companies from foreign investments shall be exempt from Canadian tax, provided that the investing Canadian company owns 25% or more of the voting stock of the foreign venture. Such an amendment would place Canadian companies having a substantial interest in, but not control of, foreign investments on a comparable footing for tax purposes with companies that actually control foreign investments.

7. It is recommended that the Canadian Government seek actively to conclude reciprocal tax conventions to avoid multiple taxation with the governments of other countries where no reciprocal convention now exists.

8. It is further recommended that every appropriate opportunity be taken, whether in reviewing Canadian legislation and regulations or in negotiating with other countries, to simplify forms and procedure, eliminate cumbersome routine and codify regulations and controls.

Use of World Bank

9. The Committee recommends that careful consideration be given to the possibility of increasing Canadian external investment through the International Bank for Reconstruction and Development, popularly known as "The World Bank."

In view of the Committee, the interests both of the Canadian economy and the World Bank itself might be better served if future lending of Canadian dollars through the World Bank were done in such a way as to bring the Canadian public directly into the picture. To this end, it is suggested that an issue of bonds of the International Bank for Construction & Development in the Canadian market might well be desirable. Consideration might also be given to re-sale in the Canadian market of borrowers' obligations already held in the bank's portfolio. Where such obligations are in corporate form, it is assumed that they would continue to carry the guarantee of the government of the borrower's country and presumably could also carry the guarantee of the World Bank.

Either procedure would provide an opportunity for the Canadian investing public to participate in the financing of foreign developmental projects with the safeguards inherent in the obligation or guarantee of the World Bank.

From the standpoint of the bank itself, increased Canadian participation would not only add to its available resources but would also enhance the international character of the institution as a lender, thus enabling it to realize its potentialities more fully.

ACKERMAN GOLD MINES has been "successful in obtaining funds to maintain essential options in good standing and to test by drilling the most interesting ground," President C. H. Ackerman advises in a letter to shareholders. Funds are being secured as an advance which the company can discharge by delivering stock at 7½c a share. If results of drilling prove satisfactory, reorganization is planned on the basis of one new share for each two presently held. General Engineering Co. states: "Taking into consideration the results to date and the fact that this area has had very limited development, the property of Ackerman Gold Mines offers a good chance of developing a sufficient quantity of good grade ore, to make it a profitable producer." Diamond drilling is in progress.

RENABIE MINES produced $105,567 of bullion, in Nov., 1950, from milling 13,680 tons of ore for an average recovery of $7.50 a ton. This compared with 14,841 tons treated a month earlier averaging $6.75 a ton. The amount to be received under provisions of the Emergency Gold Mining Assistance Act for Nov., 1950, is estimated at $14,895.

U. S. $ Value in Canada

Week Ended—Dec. 22

Mon.	$1.05 14/32	Fri.	1.05 21/32
Tues.	1.05 20/32	Wk's	
Wed.	1.05 24/32	Av.	1.05 53/80
Thur.	$1.05 27/32		

Grain Prices

Chicago Futures

Week to Dec. 22, 1950

Crop year from Aug. 1, 1950 High	Low		High for week	Low for week	Close Dec. 22
		Wheat—			
2.47¼	2.22¼	Mar.	2.47¼	2.43⅜	2.46¼
2.46	2.23	May	2.45⅞	2.42⅜	2.44⅞
2.42	2.10⅜	July	2.42	2.37	2.39⅜
2.41	2.38¼	Sept.	2.41	2.38¼	2.40⅜
		Corn—			
1.71⅜	1.43⅜	Mar.	1.41⅞	1.69⅝	1.71⅝
1.72¼	1.45	May	1.72¼	1.69⅝	1.72
1.71⅜	1.49	July	1.71⅜	1.69¼	1.71⅜
1.69⅞	1.67¼	Sept.	1.69⅞	1.67¼	1.69⅞
		Oats—			
.99⅞	.76¼	Mar.	.99	.96	.97¼
.97	.74¼	May	.97	.94¼	.95⅛
.93⅜	.73¼	July	.93⅜	.91	.92⅜
.92	.90	Sept.	.92	.90	.91¼
		Rye—			
1.74	1.44	May	1.74	1.66¼	1.70⅜
1.75¼	1.49	July	1.75¼	1.68¼	1.72⅜
1.74¼	1.70¼	Sept.	1.74¼	1.70¼	1.73⅜
		Soybeans—			
		Jan.	3.12¼	3.06¼	3.11¼
		Mar.	3.14	3.07⅜	3.13¼
		May	3.12⅜	3.07⅜	3.12¼
		July	3.13¼	3.08	3.12

Chicago Cash

	For Week Dec. 22 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.74	1.74	1.75¼	1.70⅜
Oats—				
1 H. Wh.	1.00¼	1.00	1.01	.99

Winnipeg Futures

Week to Dec. 22, 1950

Crop year from Aug. 1, 1950 High	Low		High for week	Low for week	Close Dec. 22
		Oats—			
.99⅞	.74⅞	Dec.	.99⅜	.97⅛	.99⅜
.95⅞	.75⅜	May	.95¼	.93⅜	.95¼
.89	.77⅞	July	.89	.86⅜	.88
		Barley—			
1.43	1.07¼	Dec.	1.40¼	1.37	1.39⅜
1.36¼	1.07	May	1.36¼	1.32¼	1.36¼
1.29¼	1.16	July	1.29¼	1.26¼	1.28¼
		Rye—			
1.74	1.36	Dec.	1.74	1.67¼	1.74
1.78¼	1.40	May	1.78¼	1.72¼	1.78¼
1.75⅜	1.50⅛	July	1.75⅜	1.70⅜	1.75⅜
		Flax—			
4.13⅞	3.44	Dec.	4.13⅞	4.09¼	4.13⅞
4.20	3.49¼	May	4.20	4.14	4.19¼
4.14¼	3.68	July	4.14¼	4.08	4.14¼

Winnipeg Cash

	For Week Dec. 22 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	1.01⅜	1.00¼	1.01¼	.97¼
3 C. W.	.97¼	.96⅜	.98⅜	.94¼
Barley—				
1 Feed	1.35⅜	1.34¼	1.35⅜	1.29⅜
2 Feed	1.31⅜	1.30¼	1.32¼	1.26¼
1 Malt	1.47⅜	1.45¼	1.46⅜	1.40⅜
Rye—				
2 C. W.	1.74	1.70⅜	1.71	1.57
Flax—				
1 C. W.	4.13⅞	4.12	4.13⅞	4.03¼

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THE WEEK'S QUOTATIONS

Winnipeg, Calgary and Montreal and Toronto Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING DECEMBER 22

Range 1950 High	Low	Div R'te $	Dec22 Y'ld %	Company	Sales	Last Dec. 15	Week end. Dec. 22 H	L	Cl'se
45½	21⅛	3.00	7.4	Abitibi	10596	40¾	42	40¾	40¾
25½	22	1.50	6.0	Do. $1.50 pf.	3328	24¾	24¾	24¾	24¾
25½	21	1.00+†.75		Acadia Atlan A	660	22¾	23½	23	23½
105½	100½	5.00	4.8	Do. 5% pref.	25	103½	104	103½	104
13	6	†.25	...	Acme Glove	25	9	9	9	9
11	8½	.60	6.3	Agnew Surp.	345	9¾	10	9½	9½
2.00	1.45	.	...	Albt. Dist.	1700	1.80	1.80	1.70	1.78
29½	13¾		...	Algoma Steel	7670	24¾	29	25½	27½
27½	25½	1.00	4.0	Alum of Can p	550	26½	26	25	25
23½	16½	1.60	7.4	Gypsum, Lime	2600	21½	22	21½	21½
10	8½	**.25	..	Hahn Brass, n.	60	10	10	10	10
13½	12¾	.80	6.0	Do. A new	400	13¾	13½	13½	13½
15¼	10	.50+†.25		Ham. Bridge	525	12	13	12½	12½
101	101	5.00	5.0	Ham. Cot. pf.	100	101	100½	100½	100½
11	8½	.80+■.10		Harding Carpet	175	10	10	10	10
41	27	†1.00		Hayes Steel	405	33	34	33	33
24½	16½	†1.05+†.35		Hinde & Dau.	85	22½	23	22½	23
26	25	.	...	Holt Renfrew	3	25	25	25	25
10½	7¾	.50♦	...	Horner, F W A	50	9½	9	9	9
70½	34¾	2.00+†1.00		H. Smith Pap.	605	65½	67½	66	67½
50½	45	2.00	4.2	Do. ref.	600	49	49½	48	48
125½	121	5.00	4.0	Huron & E. M.	40	124	125	123	125

Range 1950 High	Low	Div R'te $	Dec22 Y'ld %	Company	Sales	Last Dec. 15	Week end. Dec. 22 H	L	Cl'se
24¾	23	5.00	21.2	Do. 20% f.	90	23½	23½	23½	23½
4½	3½	†.75	...	Hydro Electric	400	3.75	3.60	3.60	3.60
35½	30½	1.20+†.20		Imperial Bk.	100	33½	34	33½	34
30	21	†.55	...	Imperial Oil	3175	26½	28	26½	27
14¾	12	.50+†.12½		Imperial Tob.	4481	13	13	12¾	12¾
27	24¾	1.00	4.0	Do. 4% pref.	350	25½	25¾	24¾	24¾
7½	6	6%	4.2	Do. 6% pref.	327	7	7	6	7
41	28	2.00+†1.00		Indust. Accept	1490	29	29½	28	28½
88	83	4.25	5.0	Do. 4¼% pf.	35	86	85½	85	85
40½	29½	1.25	3.9	Do. 5% pf C	200	30	32	32	32
94	87	5.50	6.3	W Mason Mills	45	94	87	87	87
20	16	.80+†.30		Westeel	699	16½	17½	16½	17½
20	13½	1.00	7.2	West Can Brew	936	13½	15	13½	14½
36	27½	**1.00	..	West Grocers	85	35	36	36	36
36	31	2.00	5.7	Do. (A)	115	34	36	34	35
34	29½	1.40	4.4	Do. pref.	125	34	31½	31½	31½
32½	20	1.00	3.3	Weston, George	790	30½	30½	29½	30
104	98¾	4.50	4.6	Do. 4½% pf.	....	99	99	98¾	99
19	15½	1.00	5.7	Wilsil	110	17	17½	17½	17½
42	30	1.50	4.3	Winnipeg Elec.	795	34¾	35	34¾	35
101	94	5.00	5.0	Do. pref.	255	99½	99¾	99¾	99¾
6½	5	.40	6.4	York Knit. A	200	6½	6½	6½	6½
2½	1	.	...	Do. (B)	615	2.10	2.25	2.10	2.25
17	13	.50+**.10		Zellers	1025	14½	14¾	14¾	14¾
29½	27½	1.50	5.5	Do. 6% pref.	25	27½	27½	27½	27½

*On arrears ▲N. Y. funds ▲▲Participating divd.
•Dividend deferred.
♦After stock split. ■Paid in 1949. x2 stk. for each 1 held.
♦Plus extras. §For each 20 shares held.
**Paid or payable in 1951. †Paid or payable in 1950.
■■3 fully paid 5% pref. shs. for each 5 common or ordinary held z 3 shs. $1 par pfd. for each share held.
††.30c payable in Dec., 1950, and .70c in 1951.

Range 1950 High	Low	Div. Rate $	Yield Dec. 22 %	Company	Sales	Last Dec. 15	Week Ending Dec. 22 High	Low	Close
.14½	.05½	.....	....	Amer Y K.	8,500	.06½	.06½	.06½	.06½
4.00	.48	§ dist	....	Anacon L.	396,795	2.03	2.77	2.02	2.74
11.25	9.40	†.40	....	Anglo-Hur.	446	11.00	10.50	10.25	10.25
.32½	.16	.....	....	Anglo-Rou.	1,200	.17	.16	.16	.16
.39½	.26	.....	....	Ankeno	40,665	.31	.34½	.32	.34
.68	.12½	.....	....	Aquarius	3,500	.14	.14½	.14	.14
.23½	.10	.....	....	Area	2,500	.16	.16	.15	.16
.58	.21	.....	....	Arjon	39,000	.35	.41	.36	.40½
.25	.09	.....	....	Armistice	5,500	.10½	.11	.10	.11
2.65	.50	.....	....	Ascot Met.	83,700	1.80	1.93	1.80	1.90
.17½	.07	.....	....	Athona '37	4,500	.07½	.08	.07½	.08
3.05	.95	†.18	....	N. Calumet	22,400	2.61	2.78	2.60	2.65
1.51	.60	.....	....	N Dick'n.	10,620	1.05	1.18	1.04	1.16
.99	.19	.....	....	N For'que.	12,000	.20	.29	.19	.26
.50	.19	.....	....	N G'dvue.	12,500	.28	.30	.28	.28
.27	.12	.....	....	N H Mal.	13,250	.14	.18	.13	.18
.51	.17	.....	....	N Jason	3,600	.19	.20	.17	.19
.30	.12	.....	....	N Lag'ree.	15,500	.14	.14	.12	.13
3.70	.43	.....	....	Newlund	19,780	1.70	1.99	1.77	1.95
.11	.05	.....	....	N Marlon	1,000	.05½	.05½	.05½	.05½
.20	.06	.....	....	N Mosher	3,500	.12½	.14	.13	.14
.38	.10	.....	....	N Norse'n.	10,000	.10	.11	.10	.10½
.07	.03	.....	....	Newnorth	5,000	.04	.04½	.04	.04½
.10	.03	.....	....	N Norzone.	7,000	.05	.06½	.05	.05½

Oil Stocks

Range 1950 High	Low	Div. Rate $	Yield Dec. 22 %	Company	Sales	Last Dec. 15	Week Ending Dec. 22 High	Low	Close
1.03	.70	.....	....	Security	1,500	.75	.73	.70	.73
2.10	1.40	.....	....	Selburn	4,500	1.40	1.44	1.40	1.40
.14	.05½	.....	....	Share Oils	4,000	.09	.08½	.08½	.08½
.18	.09½	▼.01	....	S. Brazeau.	5,500	.10½	.09½	.09½	.09½
.48	.25	.....	....	S.W. Pete.	100	.40	.40	.40	.40
.62	.15	.....	....	Spooner	50	.30	.30	.30	.30
.46	.15	.....	....	Sunset	10,705	.36½	.36	.35	.35
1.20	.40	.....	....	Superior	10,100	.73	.75	.71½	.74
.80	.24	.....	....	Tower Pet.	1,000	.30	.32	.30	.31
.60	.59	.....	....	Trend Pet.	2,500	.....	.60	.59	.60
.66	.18	.....	....	United Oil	133,670	.40½	.46	.42	.44
.55	.20½	.....	....	Vanalta	2,000	.26	.26	.26	.26
.48	.20	.....	....	Vulcan	5,000	.24	.24	.23	.24
.27½	.02	.....	....	Warner	10,000	.22	.20½	.20	.20½
.33	.17	.....	....	W Hom't'd	9,825	.22	.24	.20	.23
.30	.07	.....	....	York Oils	4,565	.21	.20½	.20	.20
1.25	.78	.....	....	Zodiac	4,200	.87	.92½	.87	.92½

*N.Y. Funds z Extra. ▼Paid 1949 §1 sh. of Montauban Mines for every 10 shs. held. †Paid in 1950. ■ Initial. ** Paid or payable in 1951.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Dec. 25	......	....	......	......	....
Dec. 23	......	....	......	......	....
Dec. 22	246,200	871,000	57,825	......	3,230,000
Dec. 21	358,800	1,146,000	56,264	82,770	3,620,000
Dec. 20	360,300	869,000	85,920	60,450	4,180,000
Dec. 19	301,300	1,017,000	151,230	85,580	4,260,000

Mining Stocks

Week Ended December 22

Range 1950 High	Low	Div. Rate $	Yield Dec. 22 %	Company	Sales	Last Dec. 15	Week Ending Dec. 22 High	Low	Close
1.02	.25	.....	....	Acadia U.	83,125	.80½	.81	.66	.68
1.72	.72	.....	....	Akaitcho	5,100	1.05	1.20	1.05	1.20
.15	.03	.....	....	Do. B. War	900	*.09	.10	.10	.10
.49	.15	.....	....	Amal Lard.	4,534	.18½	.18	.17	.18
.89	.43	.....	....	Amer Neph	1,500	.69	.75	.71½	.75
.28	.25	.....	....	Amer Stand	6,000	.27	.27	.26	.27

BUSINESS BAROMETERS

	DEC.	NOV.	OCT.	SEPT.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total revenue	....	251.9	253.6	214.5	194.6
Dom. total expend.	....	209.1	186.6	211.0	198.5
MERCHANDISING					
Dept. store sales (3)	....	+6	+1	+7	....
Country store sales (3)	....	....	—4	+3	....
Retail store sales (3)	....	....	+3	+9	....
FINANCE					
■Divd. pay. index (1) (5)	230.2	214.4	213.0	213.6	217.8
Money supply (millions $)	....	....	4,925	4,919	4,377
NEWSPRINT CAPACITY					
Production ratio (7)	....	103.2	103.1	103.2	101.2
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	187.9	169.9	165.0	172.2
Cars (D.B.S.) (1)	....	158.6	146.0	144.7	151.2
COST OF LIVING					
D.B.S. (1)	....	170.7	170.7	169.8	161.7
EMPLOYMENT INDEX					
All industries (6)	....	....	209.4	206.3	202.2
Payrolls (June 1/41=100) (2)	....	....	244.4	231.6	223.2
MANUFACTURING					
■Inventories (1947=100)	....	....	133.6	131.5	125.4
Employment (6)	....	....	215.5	212.4	208.6

	1950	1949	1950 Jan. 1 to date	1949	% Change
RAILWAYS (000's omitted)					
■Carloadings (week Dec. 16)	79.6	72.0	3,777	3,792	—0.4
■C.N.R. gross rev. (Nov.)	52,896	44,560	503,648	455,453	+10.6
■C.N.R. net rev. (Nov.)	9,278	5,493	54,533	16,945	+221.8
■C.P.R. gross rev. (Oct.)	36,740	33,252	309,654	300,968	+2.9
■C.P.R. net rev. (Oct.)	6,578	4,500	27,189	13,003	+109.1
IRON AND STEEL PRODUCTION (000's omitted)					
■Pig iron (tons) (Oct.)	206	166	1,903	1,825	+4.2
Steel (tons) (Oct.)	286	253	2,737	2,578	+6
CONSTRUCTION (000,000's omitted)					
Contracts awarded (Nov.) ($)	161	117	1,423	1,019	+39.6
Cement prod. bbls. (Sept.)	1.6	1.6	12.9	12.3	+4.9
AGRICULTURE (000's omitted)					
Flour exp., bbls. (Oct.)	758	744	8,163	8,123	+.5
Wheat exp., bush. (Oct.)	16,303	18,556	131,222	169,178	—29
Cattle sales (Nov.) (4)	190	209	1,554	1,666	—7.2
Hog sales (Oct.)	390	424	3,836	3,290	+16.6
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Oct.)	75	124	1,060	994	+6.6
Landed value (Oct.) ($)	6.3	4.1	58.1	47.4	+33.8
NEWSPRINT (000,000's omitted)					
Production (Oct.)	456	426	4,391	4,325	+1.5
Exports, tons (Oct.)	411	369	3,922	3,605	+8.8
MINING AND OILS (000's omitted)					
■Coal prod. (tons) (Nov.)	2,000	2,092	17,071	17,305	—1.4
Gold prod. (fine oz.) (Sept.)	365	365	3,310	3,021	+9
Petroleum prod. (bbl.) (Sept.)	2,725	2,167	20,297	15,709	+29
ELECTRICAL POWER OUTPUT (000,000 omitted) (Oct.)					
Total monthly kw.h.	4,385	3,975	41,686	38,719	+8
FOREIGN TRADE (millions of $)					
Imports (Oct.)	324	234	2,584	2,296	+12.5
Exports (Oct.)	315	269	2,499	2,374	+5.5
FINANCE (millions of $)					
Bank debits (Oct.) (8)	9,391	8,328	80,313	70,618	+13.7
Bond sales (Nov.)	4'4	259	6,108	4,152	+47.1
Life insurance sales (Oct.)	124	108	1,102	1,026	+7.4
OTHER INDUSTRIAL FACTORS					
Shoe prod. (000) (Sept.)	3,194	3 377	24,900	27,545	—11
■Cigarette cons. (000,000) (Nov.)	1,386	1,539	15,925	15,415	+3.3

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt, Thomson.
(6) Base period 1926=100.
(7) Includes Newfoundland.
(8) Includes debits in St. John's, Nfld., since April, 1949, only.
■New item this week.

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	Dec. 22 Bid	Ask
Alta. Distill. V.T.	..	1.76	1.70	1.79
Amal. Electric	†.30	7¾	..	..
Argus warr.	..	.02	..	.01
Assoc. T. & T. A	..	80	..	..
Do. pf.	[illegible]	155	..	..
Ault & Wiborg pf.	3.50	103	103	105
Auto Electric	1.45	7	7¾	7½
Do. A	.50	7½	7½	9
Auto Fabric B	.40	4	3½	4½
Barcelona	..	2.65	3.00	4.00
Bates & Innes	1.00	14	14	..
Beaver Lumber	**1.00	30	34	39
Do. A	1.00	19¾	19¾	19½
Do. pref.	1.40	28½	28	..
Beld. Cort.	[illegible]	165	165	..
Do. pref.	7.00	165	165	175
Belgium Glove	.60	8¾	8	9½
Do. pref. .. 1.00+**.10		16	..	16½
Bickle-Seag.	.10	2.00	1.85	2.00
Biltmore Hats	.40	6¾	6¾	7¾
Do. A	1.00	14½	..	14½
Bird Constr.	..	30	29	..
Blue Ribbon	2.56	23½	23½	32
Blue Top Br. B	■14.00	35	20	..
Bowes Co. A	.50	10½	..	13
Do. B .... 2.00+†0.75		40	.42	..
Brand.-Hender.	..	9	9½	11
Brant. Roof. A	1.00	15½	14½	16
Do. B	.50	6	6	9
Bright, T. G.	1.00	16	23	25
B. C. Pulp & Pap.	..	198	..	..
Do. pf. 7.00+**28.00*		129	128	..
Burnett Ltd.	..	4.05	3.00	4.05
Butterfly Hos.	†.90	9	9	9½
Caldwell Linen .80+†.20		15	15	15½
Canada Bread	.10	2.50	2.60	3.00
Can. Cr. Stone .80+†.40		24½	18	20½
Can. Floor. B	**.25	12	15	..
Can. Foils	.40	6	5½	6
Can. Forg. A 1.50+.51½		24½	26	..
Do. B .... †1.50+1.50		48½	..	..
Can. Iron	1.20	34	32½	35
Do. pref.	†.75	24	..	..
Can. Life	20.00	775	..	..
Can. Machine	.50	7½	6¾	8
Can. Starch . 1.00+†1.50		29	24	28
Do. pref	7.00	105½	106½	..
Can. Wire Cable A	4.00	114	115	..
Can. Bakeries	.50	10	8½	10
Can. Canners 2nd pref. .80+†.40▲▲		23½	24	24½
Can. Colliers.	†.22½	1.65	1.60	..
Can. Convert. B	..	5½	5½	..
Can. Cottons pref.	1.20	26½	27	..
Can. Fairb.	2.00	50	40	51
Do. pref.	6.00	135	135	..
Can. Fire	.80	21¾	21½	..
Can. Food Prod. A	•	6	6	7
C. G. Elec. 8.00+**4.00		400	380	425
Can. G. Sec. A	†2.00	50	65	..
Do. B	†3.00	20	65	..
Can. Ice Mach.	..	5.00	4.00	4.65
Can. Int. I. Tr. pf.	†5.00	96	..	100
Can. Oil 8% pref.	8.00	153	150	153
Can. Silk	1.50	34¾	28	..
Can. Tire ... 1.20+†.50		39	39	39½
Can. Utilities	5.00	101	101	105
Can. Wallpaper A	†1.00	13	13	16
C. Wire, Box. A	1.50	26	26	26½
Cassidy's ..... .80+†.60		14	13½	14
Catelli Food A	.50	12½	12½	..
Cel. Corp. of Am.	..	43½	..	..
Celtic Knit.	1.00	13½	13	..
Cent. C. L'n 8.00+†4.00		205	206½	..
Cent. Nor. Air. A	†.25	5	..	6½
Do. B	..	2	..	2½
Chart. Trust	1.00	33	..	..
Chatco Steel	†.25	10	9½	12
Do. pref.	.50	6¾	..	..
Ch. Gai Wines	**.30	9½	7	9
Cinzano A	4½d	1	..	1
Do. 5½% pref.	5½%	2½	..	..
Circle Bar Knit.	..	6½	6	7½
Do. A	1.00	13¾	10½	13
Claude Neon A	..	2.00	1.55	..
Do. pref.	..	31½	31½	35
Cochrane-Dun. pf.	1.20	25½	25	25½
Coll. Terminal .25+**.25		10	10½	..
Do. pref ... .25+**.25		10	11	..
Cons. Div. Sec. A	..	.60	.55	.80
Do. pref.	†1.50	19	..	..
Cons. Fire Co.	..	5	..	..
Cons. Litho. . 2.00+†.50		30	..	..
Cons. Press A	†.32½	6¾	6¾	7¾
Do. B	..	1.75	1.75	2.00
Cons. Textile pf.	1.00	18	18	..
Corr. P. Box 1.50+†.50		27	24½	28
Do. 5% pref.	5.00	101	101	..
Craig Bit.	.50	7½	7	7½
Crain, R. L. .. .40+†.10		10	9½	..
Cres. Cream pref.	†5.00	76	70	90
Crown Cork	2.00	35	33	35
Crown Trust	5.00	127½	126	127
David & F. A 1.00+†.75		32	..	34
Disher Steel pref.	1.50	24¾	..	..
Dom. Ang. I. †5.00+6.00		109½	136	..
Do. pref.	5.00	102	97½	..
Dom. Electro. 3.00+†.20		4.45	4.47	4.75
Dom. Fabrics 2nd pref.	1.50	31	..	..
Dom. Fire	6.00	140	147	..
Dom. Glass pref.	1.40	35	35	..
Dom. Malting	1.00	25	20	25
Do. pref.	5.00	103	102	105
Dom. Square	4.00	75	..	..
Donnacona P. pf.	4.50	105	..	..
Donnell & Mudge	•.20	2	2½	4
Do. A	1.00	7¾	7¾	10
East. Theat.	†3.00	27	22½	..
Easy Washing .20+**.05		5½	5½	6

Stocks Not Traded This Week (Continued)

	Div. Rate $	Last sale	Dec. 22 Bid	Ask
Economic In. †2.00+1.75		56	56	59
Enam. & Heat.	**.35	22	22	..
Equitable Life	.50	10	10½	12
Erie Floor & Wood A	.60	7½	7½	..
Do. B	■.50	3½	..	..
Fibre Products	.80	12	10½	12
Do. pref.	.50	8½	8½	9½
Fisher & Burpe A	†.80	11¾	11½	..
Do. B	†.25	3½	3½	..
Flash Fast.	..	2	100	350
Do. pref.	1.00	10	8½	13
Fleury Bissell	..	1.05	.50	1.20
Do. pref.	..	8	7½	13
Ford Motor B 2.00+†1.00		51	51	60
Fraser Cos. pref.	4.75	101½	101½	..
Freiman pref.	4.50	92	..	93
Gen. Products B	**.75	36½	42	..
Do. pref.	5.00	99½	99½	..
Gord. Belyea	3.00	60	56½	..
Gord. Mackay A	.50	9¾	9½	9¾
Do. B	1.00	15	..	16½
Gould Pumps	▲1.00	65½	..	..
Grafton & Co. A	1.00	17¾	17½	18¾
Grand & Toy	.60	16½	16	..
Great West Felt	†.30	5	300	800
Do. pref.	.50	5½	5½	7½
Gt. West Saddlery	†1.00	12	12¾	..
Growers Wine	..	1.80	..	..
Halifax Insur.	†.15	11½	..	..
Hamilton Cot. .50+†.25		15¾	15½	..
Hartz, J. F. A	.50	9¾	9½	10½
Hendershot Pap.	1.00	11	11	12
Do. pref.	5.00	70	70	80
Hillcrest Coll.	..	.20	..	..
Holden Mfg. A	.60	6	6	7
Do. B	■.20	4.50	..	3.90
Holt Renfrew pf.	..	100	..	..
Ho. De La Salle	..	14	14	..
Hubbard Felt	■.25	4	..	..
Do. A pref.	1.50	16	16	..
Humberstone S.	†1.25	21	..	..
Hunts A	**.20	8½	7½	8
Do. B	**.20	8	..	8½
Imp. Varnish 1.00+†1.00		16¾	16½	18½
Do. pref.	1.50	31½	30½	..
Ind. Accept. 5% pf	4.25	98½	83	..
Inter-C. Bak. .80+**.10		14½	13½	..
Inter'c Coal	2.00	25½	25	..
Do. pref.	8.00	115	116	..
Inter. Bronze pref.	1.50	21	..	22
Int. Coal & Coke	†.04½	26½	26½	33
Int. Milling pref.	4.00	97	98	108
Int. Nickel $5 pf.	■.35	7	..	7
Int. Paints	..	6	7	..
Int. Pap. pref.	▲4.00	111	111	..
Invest. Found.	†.80	[illegible]	..	..
Lake of the Woods pref.	7.00	[illegible]	..	150½
Langleys	..	75	..	..
Do. pref.	†1.00	60	..	..
Legare pref.	†2.60	21	..	..
Lewis	†.70	9	..	..
Lindsay, C. W.	..	10	..	..
Do. pref.	†4.00	110	..	..
Loew's Theatres	4.00	75	76	..
London Can. Inv.	†8.30	105	..	110
London Hose.	†.70	4.10	..	..
Do. A	.80	9	..	..
Mackin Steel	..	15	15	..
Do. pref.	5.00	89	89	..
Mailman Corp.	1.00	16½	16	16½
Do. pref.	5.00	90	..	92
M. L. Gardens	**.50	15	15	16
Maritimes Tele.	.80	17¾	..	18½
Do. pref.	.70	18¾	17½	18¾
McBrine pref.	1.00	17	..	16¾
McCabe Grain A	.60	10½	10½	11
Do. B	.40	9	9½	..
Melchers pref.	.60	10¾	10½	11
Mexican Lt.	..	2.50	2.25	..
Mica of Can.	†.10	1.00	.85	1.00
Monarch Knit.	1.00	12	12	13¾
Mon. Life 40% pd.	12%	140	135	..
Mont. Is. Pr.	..	20	..	2
Mont. Refrig. & S.	1.50	30	..	..
Moore Corp. pf. A	▲7.00	384	376	..
Do. pref. 4%	1.00	27	26¾	26¾
Mt. Royal Metal	.60	10½	..	10½
Murphy Paint	.80	21½	21¾	..
Nat. Grocers .60+†.20		11½	..	..
Nat. Hosiery A	.60	26½	20	..
National Trust	1.00	30	..	..
Neon Pr. of W. C.	.80	15¾	15¾	..
North Star Oil pf.	.35	5½	5½	5¾
Nor. Can. Mtge.	1.50	24	23	..
Nor. Trusts	.80	34	..	..
N. S. L. & Pr. pf.	6.00	106	106	110
Nuclear Ent.	†5.00	8½	7	8½
Ogilvie Flour pf.	7.00	165	165	..
Ont. Beauty Sup.	..	60	50	70
Do. pref.	†.50	5	5	7½
Ontario Loan	5.00	131¾	132	150
Ont. Steel pref.	7.00	140	140	..
Pacific Coyle	†.04	.90	.85	..
Paton Mfg.	.80	15	11	..
Do. pref.	1.40	23	22½	24
Penmans pref.	6.00	145	145	..
Premier Trust	2.00	58	51	..
Price Bros. pref.	4.00	101	..	101
Quinte Milk A .60+†.10		9¾	9½	10
Do. B	†.10	3.15	3.10	..
R&M Bear. A 1.10+†.10		19½	..	19
Regent Knit.	.50	21½	22½	..
Do. pref.	1.60	20	..	..
Reitman's 5% pf.	..	18¾	18½	19
Reliance Grain	†11.00	60	50	..
Renfrew Textile A	.60	6	5¾	6¾
Renold-Cov. A 1.10+.20▲▲		19½	..	20
Rivers Mill A	2.00	28	28	29
Do. B	■1.00	15	..	18
Robertson, P. L. 2.00+†1.00		66	66	70
Do. pref.	2.50	44½	68	..
Robinson Little A	1.00	14½	13½	14½
Rolland Pap.	†.15	13½	..	14
Do. pref.	4.25	85	..	..
St. Law. Flour	†1.15	20	17	19
Do. pref.	7.00	125	120	138
Sangamo ... 1.00+†.22½		17	..	17
Sarnia Br. .... .40+†.30		9½	9	10
Scarfe & Co. A	.80	14	13	14
Do. B	.40	7½	7	..
Shea's Brew. A	.55	16½	15½	16½
Sher. Wms. pref.	7.00	142	141	142
Sidney Roof.	.90	16½	..	..
Silknit pref.	2.00	35	35	40
Silverwoods B	.40	7¾	7½	8
Simon & Sons	†.90	12	..	..
Do. pref.	5.00	100½	..	95
Slater, N.	1.80	38½	38½	41
Do. pref.	2.12	49	..	..
Sov Life 25% pfd.	7%	60	..	..
Stand. Clay	..	11¾	9	16
Stanley Brock B	.40	5.00	4.85	5.75
Sterling Coal	..	11½	11	12
Sterling Trust	6.00	130	126	..
Stowell A pref.	1.50	17	17	..
Do. B	..	7	7	..
Stuart, D.A. pf. .80+†.60		17	18	18
Sun Publishing	†1.05	20¾	20½	..
Sup. Pet. com.	†3.00	77	..	..
Tamblyn pref.	2.00	50	50	52½
Theatre Props.	..	4½	4½	5
Tip Top Can. A	.50	6¾	..	6½
Tor. Elevators	.60	11½	11½	12
Tor. Mtge. .. 5.00+**.25		125	113	125
Traders Bldg. 1.00+†.25		21	21	..
Trad. Fin. 4½% pf.	4.50	90½	90½	94
Do B rights	1.00	17	17½	..
Tuckett Tob. P.	7.00	138	137	..
Twin City pref.	▲2.50	16	..	..
Un. Amuse. A	†.75	40	38½	..
Do. B ...... 1.00+†.75		30	25½	..
Do. A V.T.	†.75	40	38½	48
United Secs.	..	38	..	..
Viau Ltd. .. 2.00+†1.00		40	35	..
Viceroy ...... .80+†.20		18	15	18
Vir. Dare 5% pf.	1.25	15½	15	16½
Waterous Ltd. A	.80	10	10	11¾
Wellington Fire	3.50	58	..	90
West. Grain pref.	..	60	..	..
West Koot. pref.	7.00	170	170	..
W'minster Pap. A	.50	9	9	9¾
Do. B	†.12½	5.50	[illegible]	..
Willson Stat.	..	12	12½	..
Do. pref.	5.00	98½	98	..
Wilson, J. C. .. .60+†.05		10	..	..
Windsor Hotel	..	22	22	25
Wood, A. & J. P.	†7.00	126	126	132
Wood, G. H.	5.50	99	98	100
Woods Mfg.	†1.00	24	24	..
Wool Combing	1.60	16½	16½	20
Zellers 5% pref.	1.25	26½	26	..

♦Plus extras. ■Paid in 1949. *On arrears. ▲N. Y. funds. °Net after income taxes. •Dividend deferred. ♦After stock split. ▲▲Participating div. †Paid or payable in 1950. **Paid or payable in 1951. §3 shs. par pfd. for each sh. held.

Mining Stocks

	Div. Rate $	Last sale	Dec. 22 Bid	Ask
Alta.	...	.06½	.06½	..
Arno	...	.01½	.02	.03
Bayonne	...	.02	..	..
Beatrice	...	.04	.03	.04
Bob's Lake	...	.03	.03	..
Bouscadillac	...	.03	.03	..
Bridge River	...	.02½	..	..
B.R.X. Con.	...	.04	.03¾	.04
Bruce Cons.	...	.01	.01	.01½
Canusa	...	.06	.05	..
Congress	...	.08	.05	..
Crestaurum	...	.10½	.10	.12
Cryderman	...	.00¾	.01	.02
Dickstone C.	...	.03	.02½	..
Federal	...	.04½	.04½	.06
Flin Flon	...	.01	.01	.02
Fontana '45	...	.03	.02¾	..
Forty-Four	...	.76	.75	.80
George Copper	...	.10	..	..
Golconda	...	.22½	.20	..
Goldale	...	.16½	.16¾	.18
Gold Crest	...	.09½	.08½	.10
Gold Lake	...	.00¾	.00¾	.01½
Great Falls	...	.00½	.00¾	.03
Grull Wihksne	...	.02½	..	..
Halliwell	...	.02½	.02	.02½
Hasaga	...	.25½	.26	.30
Heath	...	.06½	.06½	.08½
Hudson R.	...	.10	..	.20
Island Lake	...	.00½	.00¾	.01½
Island Mountain	†.05	.85	.80	.89
Kerr Lake	...	.30	.18	.35
Kirk. Hud. Bay	...	.35	.35	.40
Larder "U"	...	.03	.02½	.03
Maralgo	...	.04	.04½	.05
McGillivray C.	...	.08	..	..
Mentor Explor.	...	1.25	1.25	1.50
Moneta	...	.39	.35	.40
New Alger	...	.07	.07	.09½
New Bidl'que	...	.04½	.04½	.05
N. Louvre	...	.05	.03	.05
Normandy	...	.01	.00¾	.03
Norpick	...	.05	.04½	.06
North. Empire	†.15	1.00	1.25	..
North Den.	...	.09¾	.08½	.09
Ogama Rock	...	.13	.11	.12
Pacific East	...	.05	.04¾	.05¾
Packsack	...	.02	.01½	.02¾
Paramaque	...	.03¾	.03¾	.05
Parbec	...	.04	.04	.05
Partanen Mal.	...	.02½	..	..
Pitt G.	...	.04	.04	.05
Proprietary	†.78	15.25	15.25	16.50
Purdy Mica	...	.08½	.08	.09
Red Cloud	...	.01	.00¾	.01
Red Crest	...	.02	.02½	.04
Red Hawk	...	.04½	.03½	.04½
Renabie	...	2.25	2.20	2.50
Rice Lake	...	.01½	.01½	..
Sand River	...	.03	.02½	.04
Sannorm	...	.05	.05	.05½
Santiago	...	.04½	.04¾	.05
Soma Duv.	...	.05	.03½	..
S. American G.	*▲.12	1.10	..	..
Squall L.	...	.05	..	..
Standard G.	...	.09	.09	.13
Star Lake	...	.00½	.00¾	.00½
Steeloy	...	.04¾	.04½	.05
Temiskaming	...	.07	.07	.08
Tiblemont	...	.03	.03	..
Utica	...	.03	.03	.05
Vananda '48	...	.09	.09	.11
Winnipeg R. Tin	...	.01	.01½	.01½
—OIL STOCKS—				
Command	†.08	.60	.62	..
High Sarcee	...	.10½	.09½	.12
Lowery	...	.74	..	..
New Ranch	...	.03½	.03½	.03½
Nordon	...	.05	.07½	.12
Petrol Oil	▲.02	.35	.30	.35
Selburn warr.	...	.15	.11	.20
Texas Can.	▲♦1.85	.40	.41	..
Turner V.	...	.25	.17	..

▲Paid in 1949. *N. Y. funds. ♦Capital distribution. †Paid in 1950. **Paid or payable in 1951.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$27.50	$27.37	$21.57
Hogs	29.72	29.35	28.85
Copper, lb.	.24½	.24½	.18½
Sugar, raw, lb.	.0587	.0568	.0525
Coffee, lb.	.54¼	.51¾	.48¾
Hides	.37½	.37	.24
Weekly Indices			
U. S. Labor	173.4	172.7	151.1
Dow Jones	195.00	191.95	136.10
Fisher's	181.4	179.0	160.4
Monthly Indices			
Retail (Nov.)†	170.7	170.7	161.7
W'sale (Oct.)	172.6	173.6	157.2
U. S. (Aug.)	166.3	162.9	153.0
Gt. Brit. (Sept.)	271.6	263.6	226.1

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f. New York.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
*Cooksville Co. Ltd. 1st mtge. & coll. tr. s. f. bds.	4%	1967	Dec. 23	102.00
Lake St. John Pr. 25-yr. mtge. deb. ser. A	5%	....	Jan. 1	102.00

[illegible] *All outstanding.

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Chibougamau Area's Drilling Program Outlines Several Million Tons To Date

With a major "assist" from Quebec's new mining road from St. Felicien, Chibougamau has extended its indicated resources to several million tons of medium to low grade copper-gold ore. Drilling has been outlining ore on numerous properties.

More actual work and diamond drill testing have been going on than at any time since Consolidated Smelters pulled out many years ago.

Merrill Island Mining Corp., Campbell Chibougamau, Jaculet Mines, Kayrand, and Quebec Smelting & Refining have been in the forefront of the new activity and each has been indicating ore tonnages of varying size and grade.

Million at Merrill

Merrill Island Mining Corp. has indicated in excess of 1.1 million tons of orea averaging approximately 2% copper, according to a recent engineering survey. This estimate will be increased by recently obtained drill results, some of which are from zones in which copper mineralization is accompanied by an important complementary gold content.

The main or Blake showing has been enhanced by discovery of three other zones nearby. The latter were indicated initially as magnetic and electrical anomalies and later were proven copper-bearing by drilling. A fourth "E"' anomaly has not yet been tested.

The ore, as estimated above, is to only shallow depths.

At Jaculet Mines, diamond drilling to shallow depth has also indicated in excess of a million tons with an average value of $7.73 a ton at the current price of copper.

The north zone has been drilled along a length of 995 ft. with the east end still open and 3,200 ft. from the east property boundary.

Three main ore blocks are estimated for the zone: 390 ft. averaging 1.5% copper, 28c gold across 42.86 ft.; 230 ft. averaging 1.429% copper and 49c gold across 17.56 ft.; and 375 ft. averaging 1.49% copper, 14c gold across 11.06 ft.

In the south zone, gold-copper mineralization extends for 1,125 ft. along strike. Widths in general are narrower.

Consideration is being given to sinking a shaft to a depth of 250 ft. on the north zone.

To Drill Cedar Bay

Campbell Chibougamau Mines, which acquired the properties formerly held by Consolidated Chibougamau Goldfields, plans an extensive diamond drill campaign from the ice in the Cedar Bay area, beyond the scope of old underground workings.

This campaign appears to hold promise of discovering new ore bodies. Support is given to this by favorable geological factors and location. In addition, the south zone of Jaculet was traced westward to the Campbell boundary with an intersection of good width and grade in the vicinity of the common line.

In the Merrill Island section, a gold-copper bearing zone has been drilled to depth of 350 ft. with one hole through the ore zone at a vertical depth of 500 ft. This zone is an extension of, or branch from, an ore body on the adjoining Merrill Island Mining Corp. property.

Vein type zones on the Cedar Bay property are estimated to contain 175,000 tons averaging 0.23 oz. gold and 1.35% copper. Tonnage in a different type of mineralization — in a flat zone with the thickness of approximately 50 ft. — is provisionally estimated at 300,000 tons averaging 1.6% copper and 0.03 oz. gold.

Indicated ore at the Merrill Island zone is estimated as 57,000 tons per 100 ft. of vertical depth averaging 0.10 oz. gold and 2% copper.

Kayrand Mining & Development Co. which has been testing a copper-bearing zone with a proven length of 1,600 ft., expects that additional drilling will more than double present indicated tonnage potential.

One ore shoot has been outlined and close drilling on this has indicated 135,000 tons of ore averaging 1.87% copper, 0.48% zinc, 0.5 oz. silver and 0.01 oz. gold.

Recently, a drill hole projected to cut this zone at deeper horizons returned 7.5 ft. averaging 2.47% copper, 0.70% zinc, 0.77 oz. silver and 0.02 oz. gold. This intersection was at a vertical depth of 875 ft.

Some 400 ft. from the end of the above zone, diamond drilling has also cut mineralization with additional drilling planned. The company has a geological potential area in the south and west portion of its property along the anorthosite-granite contact.

Quebec Smelting & Refining is currently carrying out a drill program along the common boundary with Jaculet Mines.

A mineralized zone lying 100 feet west of the Quebec Smelting-Jaculet boundary has been investigated by drilling for length of 400 ft. Values in copper and gold have been secured with one drill hole returning 19.6 ft. averaging 2.91% copper and 0.38 oz. silver.

Another copper zone is known 400 ft. west of the main zone and shallow X-ray drilling by the present owners investigated a strike length of 150 ft. The best intersection was 17.7 ft. averaging 2.06% in copper with an adjoining hole showing copper but not lending the support necessary to establishment of a definite ore shoot.

Within 2-mile Radius

All the ore zones mentioned lie within a radius of two miles centering on a point in Doré Lake. Geophysical surveys have proved invaluable in picking up the numerous copper-gold bearing zones in this country and eventually, there appears that a very substantial tonnage of copper-gold bearing material should be outlined.

Large tonnages of ore are obviously needed to warrant installation of power and other facilities requisite to the establishment of Chibougamau as a producing copper camp. But results being secured suggest that projected exploration may provide the tonnage required.

Aggregate tonnages indicated by the relatively shallow drilling to date approximate a million tons of low to medium grade copper ore for each 100 ft. of depth. This includes lesser tonnages with an appreciable supplementary gold content.

An interesting possibility is that the various companies might join to create a common production plant which might be beyond the powers of the companies, taken individually, to provide.

20% Lead Opened In Yale Raising

Ore of increasing richness has been opened in latest work in the Albion raise at Yale Lead & Zinc Mines, Mine Manager H. D. Forman reports.

In the progress report for the period Dec. 12 to 18, Mr. Forman states that Albion work the preceding week had averaged 8 oz. silver, 20% lead and 5% zinc over an average width of 3.1 ft. The width of the ore appears to be narrowing but the latest sample shows grade is increasing. It assayed 12.4 oz. silver, 30.6% lead and 4.3% zinc over 2.5 ft.

The new raise, 300 ft. from the Albion raise, started in vuggy ground but commercial ore has been entered at around 51 ft. above the level.

Platinum Use At High Level

"Demand for platinum metals is at a high level, and their increased use for industrial purposes demonstrates the economic advantage of using precious metals to obtain extraordinary results," declares C. W. Englehard, in a platinum industry review. Mr. Englehard has succeeded his father, the late Dr. Charles Englehard, as president of Baker & Co., Inc., world's leading dealers and manufacturers in platinum metals.

Dr. Englehard died Dec. 1 at the age of 83.

U. S. Doubles Imports

The United States, which exceeds all other countries combined as a consumer, imported 300,000 oz. of unmanufactured platinum metals in the first nine months of 1950, including 185,000 oz. of platinum, which compare with approximately 150,000 oz. and 90,000 oz., respectively, for the corresponding period of 1949.

"The economic advantage being obtained from use of precious metals," Mr. Englehard pointed out, "is illustrated by a recent development in production of gasoline. High octane fuel is now made, at low cost, from natural gasoline by means of a platinum catalyst. Use of the process is being extended by construction of several new plants to supplement those already in operation.

"In spite of their rarity and high initial cost, American industry has found it advantageous to use the platinum metals in equipment producing rayon, light bulbs, glass fibre and other products. Small parts made of platinum metal are incorporated in home thermostats and corresponding industrial instruments, in airplane magnetos and spark plugs, and in many other electrical and electronic devices. As catalysts, the platinum metals are important in the production of chemical and pharmaceutical products."

As reported earlier in The Financial Post, platinum metals are on the United States strategic mineral stockpiling list.

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Age will not destroy nor time deteriorate the great protective qualities of "Turnall" Corrugated Board. It grows even tougher with age and for roofing and siding it is an investment that pays off year after year.

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MONTREAL TORONTO WINNIPEG VANCOUVER

Violamac Drills Quebec Claims

With a record of profitable production of lead, zinc, and silver from its mine in British Columbia, Violamac Mines is now engaged in exploration of an interesting copper property in Dasserat twp., Northwestern Quebec.

A group of 25 claims, some 1,100 acres, has been optioned, and a detailed geological examination, supplemented by magnetometer and resistivity surveys, has been made. Diamond drilling of favorable locations is being commenced.

The group lies near the middle of Dasserat twp., just north of the possible position of the Cadillac-Malartic break, which is hidden below cobalt rocks, and about half way between Noranda to the east and Kerr-Addison to the west.

The claims cover a mineralized fold in volcanic rocks, comprising andesites and rhyolites cut by a thick sill-like intrusion of older gabbro. An anticline is broken near its axis by a west-striking shear zone that carries in several places, disseminated chalcopyrite with some pyrrhotite. The geological setting, the regional position, and the occurrence of ore minerals taken together suggest a better than average chance that some commercial deposits of copper ore may be found, the company states.

Silver Miller, Cobalt Lode Build Cobalt Silver Output

A healthy level of silver production is again being built up in the Cobalt camp with two new mills in operation. During November 233,387 oz. of silver were turned out, of which 152,883 oz. was attributable to Silver Miller Mines and the balance to Cobalt Lode Silver Mines.

A vein carrying about 200 oz. per ton has now been cut on Silver Miller's La Rose property in the heading driven from the O'Brien 205 level. Another silver producer may be in the making for the camp. Mayfair has been reporting encouraging ore results and it would not be surprising to see the camp blossom out with additional producers.

Cobalt Lode Tunes Up

Cobalt Lode now has its mill operating on average mine grade ore, some improvement has been made in the circuit and a higher recovery is anticipated.

Underground results continue satisfactory. The total length of high grade and milling ore developed to the end of November in the new location at 310-ft. level was 84 ft. and advance is being continued. In the 4200 stope, draw points have been connected for a length of 230 ft. A considerable amount of high grade silver is being encountered in this stope with one length of over 60 ft. averaging 4 in. to 8 in. in width running from 3,000 to 4,000 oz. silver per ton.

Of November production of 80,504 oz., 35,474 oz. was cobbed high grade.

Miller Shaft Finished

Silver Miller has completed its No. 4 shaft and cross-cutting to the indicated downward extension of ore is being undertaken at the 560-ft. level. After drawing considerable ore from surface dump, all nine stopes are back to normal operation. Considerable exploration is being done on the 285-ft. level where a strong calcite vein is being followed.

OSC Options

Following data on mine underwriting and option agreements have been released by the Ontario Securities Commission:

AUGUST PORCUPINE GOLD MINES—By agreement of Oct. 26, 1950, Chamac Holdings agreed to purchase 25,000 shares at 12c payable Nov. 22, 1950, and received options on a further 725,000 shares at 12c to 35c a share. Authorized capital is three million shares of which 1,594,685 shares are issued. Accepted for filing, Dec. 11, 1950.

VAUZE DUFAULT MINES—By agreement of Oct. 21, 1950, Alex. G. Mackenzie subscribed for 150,000 shares at 10c and underwrote a further 100,000 shares at 10c payable by Dec. 21, 1950, and received options on 700,000 shares at 10c to 50c a share. Authorized capital is four million shares of which 2,262,374 issued.

BOWSINQUE MINES—By agreement of Oct. 23, 1950, Edmond John Evelegh received option on 600,000 shares at 10c to 50c a share. Name was changed from Goldbow Mining Co. Nov. 8, 1950. Authorized capital is three million shares of which 1,626,025 issued. Accepted for filing, Dec. 19, 1950.

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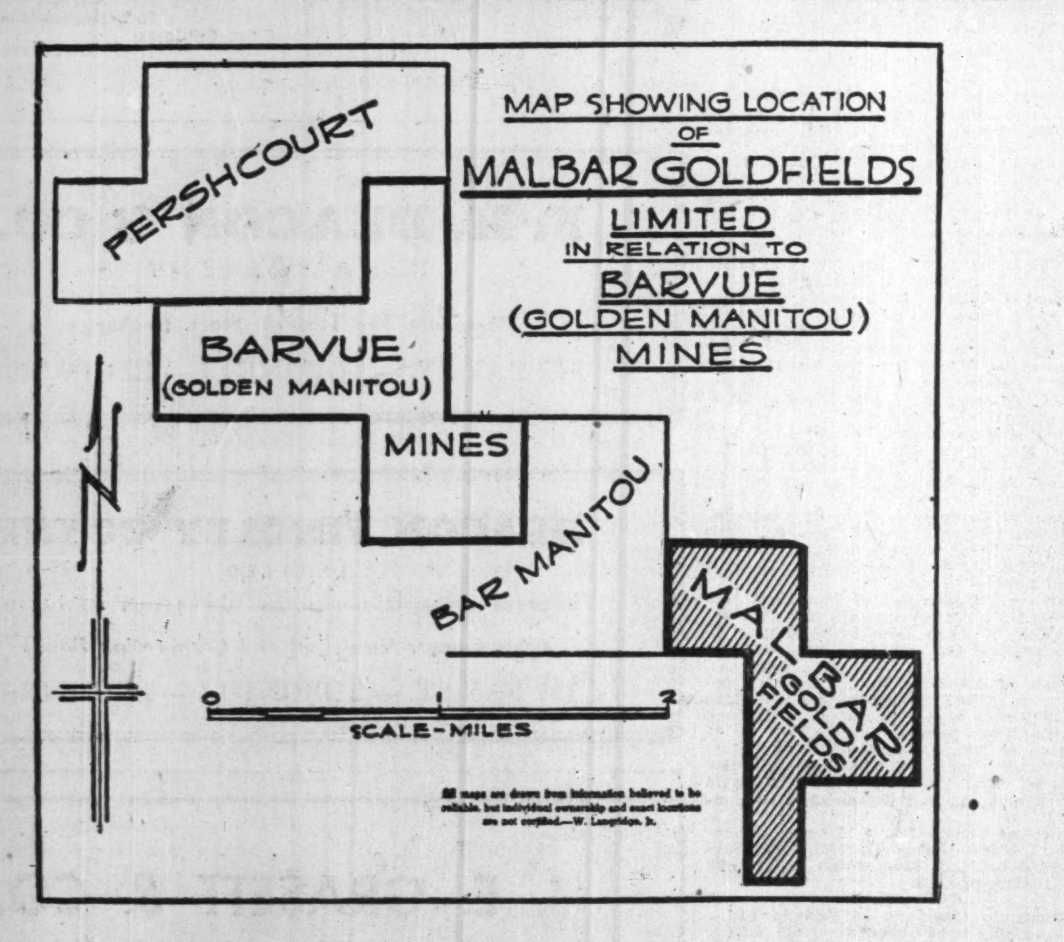

This advertisement shows the relation of the Malbar property to the major zinc, silver zone being drilled by Barvue Mines Limited, where upward of 2,000,000 tons of excellent grade ore has been indicated.

The Malbar property is assumed to be on strike of the Barvue. Diamond drilling will be starting shortly and finances have been arranged, whereby a firm commitment of $50,000 has been made and together with options outstanding will place a total of $709,991.25 in the Treasury, if exercised.

The Directors and Officers of the Company are as follows:

J. J. COGHLAN, Toronto	President	Mining Executive
ARMAND DUMAS, Malartic, Que.	Vice-Pres.	Civil Engineer & Member of Parliament
J. L. NOBLE	Secretary	Toronto
PATRICK HARRISON	Director	Noranda, Que.
DR. NORMAN J. HOWARD	Director	Toronto, Ont.

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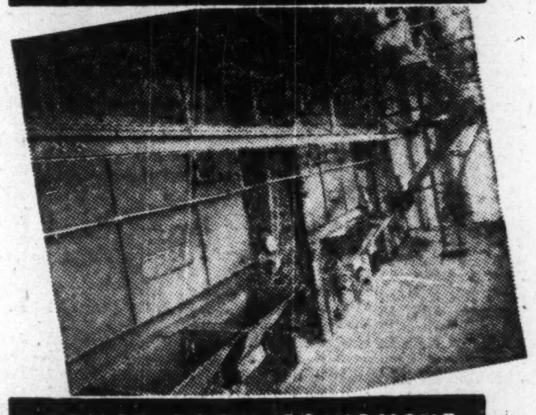
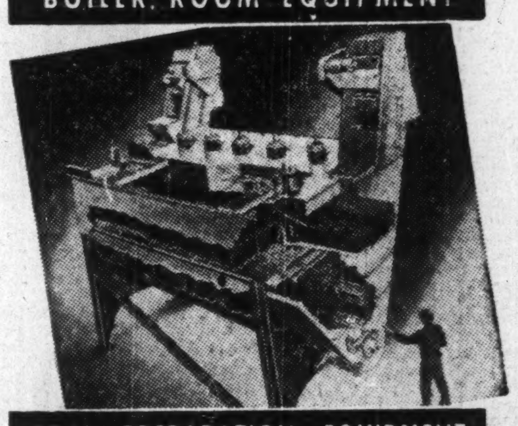
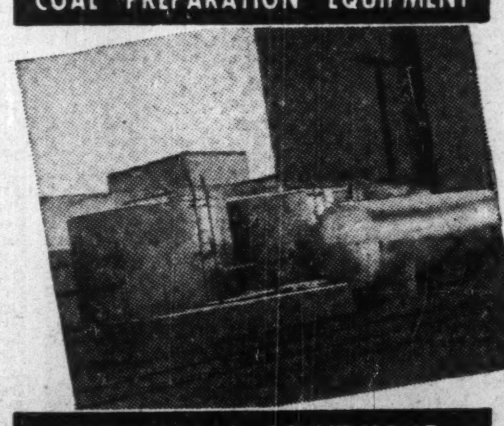
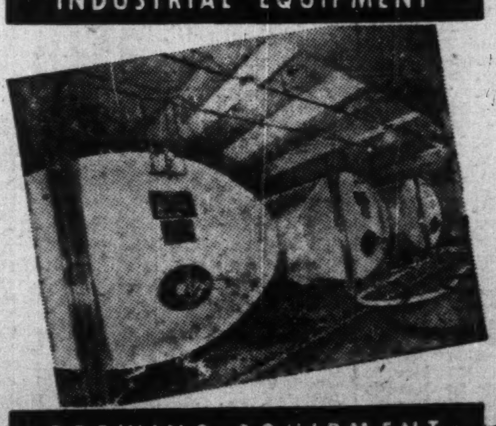

BOILER ROOM EQUIPMENT


COAL PREPARATION EQUIPMENT


INDUSTRIAL EQUIPMENT


BREWING EQUIPMENT

The physical structure of Vulcan Iron and Engineering Ltd., its manufacturing facilities, and the number and varied nature of its products, have been so greatly expanded in recent years that the company today conducts one of the most diversified businesses of its kind in Canada.

Vulcan operations include the following major divisions: Steel and Iron Foundry, Boilers and Tanks, Structural Steel, Forging and Machine Shop. Each division is closely controlled by Vulcan's Engineering department and chemical laboratory to ensure efficiency of production and service.

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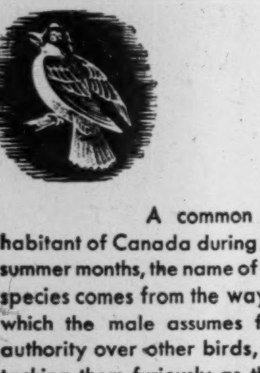
Something to remember

This is one of a series of words and expressions whose origins and meanings are published in the interest of a better understanding, use and knowledge of the English language.

"KING-BIRD"



A common inhabitant of Canada during the summer months, the name of this species comes from the way in which the male assumes firm authority over other birds, attacking them furiously as they fly. This happens only in breeding time and he will courageously assault any bird, from an eagle down, which dares to approach his nest.

On such occasions the "King-Bird" reveals the emblem of his dignity—the erectile feathers of the crown of the head part and form a deep beautifully colored base.

DAWES Kingsbeer BREWERY

(Advertisement)

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Follow the Trend in MINES & OILS Commentary

Depletion of iron ore reserves in the United States has resulted in the greatest search in history by major iron and steel companies for new sources of supply. An advantageous feature of Naneek's location is the proximity of rail and shipping facilities. The claims being about 10 miles in from Chapleau, Ontario, on the main line of the C.P.R. and within easy reach of Lake Superior ore boats.

Dip needle Survey outlined two large anomalies. As recomended, a comprehensive Geophysical Survey is now under way by Gardiner & Low, the Company's Consulting Geologists. This will be followed by diamond drilling.

KEENAN & COMPANY
(H. J. Keenan)
43 Scott Street, Toronto

Please place my name on your list to receive the regular edition of "MINES & OILS COMMENTARY", and complete information on Naneek Mines Limited.

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Base Metals a Hedge Against Inflation? Here Are Pros and Cons of the Situation

By GORDON M. GRANT

How do you go about keeping your capital intact during inflation? Can income be increased — and safety of principal maintained — when a battle between low interest rates and higher cost of living is taking place?

That is the conundrum of many investors today.

It has often been put forward that shares of companies producing essential raw products represent about the best bet to keep capital intact and to provide a fair income under conditions of progressive inflation. Base metal producers, too, have been singled out as possibly the most popular group in this category.

But an accompanying statistical analysis based on results of leading Canadian producers indicates that all base metal producers today are not selling at higher levels than at the end of 1938, before World War II got under way. Oddly enough, however, 1950 earnings — as previously estimated by The Financial Post — show a rise at least comparable to the cost of living as evidenced by the DBS index.

Metals Display Inflation Effect But Earnings' Rise Is Narrower

	1938	1946	Latest 1950	% Inc. Over 1938
Trend of Inflation:	—Average—			
Cost-of-living index	102.2	123.6	170.7	67.0
Wholesale price index	78.6	108.7	173.6	120.9
Index of farm prices (vegetable products)	73.8	97.8	152.7	106.9
Metal Prices:	—Average—			
Nickel, lb. (U.S.)	35.00c	35.00c	50.50c	44.3
Copper, lb. (U.S.)	10.10c	13.92c	24.50c	142.6
Lead, lb. (U.S.)	4.59c	8.11c	17.00c	270.4
Zinc, lb. (U.S.)	4.99c	9.15c	18.22c	265.1
Base Metal Profits:				
International Nickel	$2.00	$1.90	$3.30	65.0
Consolidated Smelters	1.90	7.12	14.50	663.2
Noranda Mines	4.28	2.81	5.95	39.0
Hudson Bay M. & S.	1.61	3.21	5.53	243.5
Falconbridge Nickel	0 53	0.15	0.75	41.5
(Earnings per share as estimated by Financial Post for 1950).				
Base Metal Stock Prices:	End of Year			
International Nickel	$56.50	$36.50	$38.25	—32.3
Consolidated Smelters	60.50	87.25	125.50	107.4
Noranda Mines	80.50	50.50	71.00	—11.8
Hudson Bay M. & S.	34.00	45.00	56.00	64.7
Falconbridge Nickel	5.65	4.35	8.15	44.2

Metal Prices The Key

Increases in the prices of lead and zinc (270.4% and 265.1% respectively) have been more marked than increases in copper and nickel (142.6% and 44.3%). The extreme increases in prices of the first two have been almost entirely responsible for the outstanding showing of Consolidated Smelters and the second best showing of Hudson Bay Mining & Smelting Co.

International Nickel and Noranda Mines are today selling below their end of 1938 levels. This decrease cannot be explained by lower earnings. In the case of International Nickel, 1950 earnings are estimated as 65% higher than those of 1938.

On a "times earnings" basis, Consolidated Smelters might be thought the best buy of the five leading issues analyzed. International Nickel and Noranda might be thought the least attractive.

But taking a look at price prospects for the leading nonferrous metals, this situation tends to explain itself away. Prices increases in lead and zinc arrived early and could be pretty well over although zinc might conceivably jump still higher. Lead is not nearly in as short supply as its fellow non-ferrous metals.

Nickel, on the other hand, hasn't been increased pricewise nearly as much as the other metals. The metal is still in extremely short supply. Further increases in price may be necessary if a needed expansion in output is to be secured.

Producers are endeavoring to hold the line on the price of copper but a further increase is possible with demand far outstripping supply. Just continuation of the present price of copper, however, will likely mean improved earnings (from copper) for Noranda, International Nickel and Falconbridge in the incoming year.

Enter the Tax Collector

Corporate profits have been a target for the tax collector — possibly on theory that a large revenue can be secured with little immediate hardship. This is undoubtedly a nigger in the woodpile when it comes to base metal stocks providing any real hedge against inflation. But even this drawback is tempered by the fact that base metal producers need pay no tax on a third of their income before tax. This is regarded as a return of capital and hence not subject to tax.

If the investor could count on 1950 earnings being only maintained, current prices for base metal issues could probably be regarded as rather attractive — certainly on a yield basis when returns on bonds are considered.

Price rises in the case of lead and zinc have been phenomenal and over a period of years these prices might move lower. Nickel, as pointed out, could go higher. With the immense demand for metals stemming from the U. S. armament program, most authorities feel that the present level of earnings will continue for some time at least, barring a major increase in taxes.

Porcupine Reef Gold Output "Biggest Ever in December"

A surprisingly high production of gold by Porcupine Reef Gold Mines is anticipated for December, the last month which the company enjoys under the "tax umbrella."

The company's management felt that it would be good business to cash in on part of the company's substantial reserve of high grade ore to give a major lift to the treasury position and this has been achieved.

President Bert W. Lang at midweek told The Financial Post December production would be the best ever reported by the company and that a very sizeable improvement had been effected in the company's liquid position.

While the company will not be tax-free in 1951, benefit will be secured of the increased cost-recovery rates now in effect which will serve to reduce tax liability.

Production of associated companies is also reported to be running favorably but no increase has been recorded comparable to that at the Reef.

Up Gold or Many Mines Close Industry's Advice to Ottawa

More of Canada's gold production needs to be covered by an extension of presently planned cost-aid for 1951 if numerous gold mines in Quebec and British Columbia are to be saved from unprofitable operation, or closure.

Give more government aid for gold mines or many may close down, Prime Minister Louis St. Laurent and cabinet colleagues were informed by representatives of the industry this week.

Occasion is the pending amendment of the Emergency Gold Mining Assistance Act next session.

A "brief" submitted on behalf of the Canadian Metal Mining Association, Mining Association of British Columbia, Mid-Western Mining Association and Western Quebec Mining Association is understood to state that a close-down is faced by half the 19 operating mines of Quebec, while only five of nine mines in British Columbia may survive 1951.

It was pointed out that the industry gives direct employment to 23,000 people and that gold mines maintain communities with 121,000 persons and that cost of resettlement of people would be large.

Attention was drawn to "the crux of the problem" of the gold mining industry—the price of gold. The hope was expressed that the Canadian Government might be able to set in motion, action to provide a price for gold more commensurate with the cost of producing it.

Continuation of gold mining as a "live industry" was stated to be essential if valuable deposits of base metals and strategic minerals are to be found in the future, as these are usually found through prospecting for gold.

A separate brief was filed by the gold operators of the Ontario Mining Association. This brief asked even more help, it is reported.

Besides cost-aid assistance of half the output of the gold mines, and an increase in the depletion allowance to 50%, it was asked that Canada join with South Africa in pressing on every possible occasion "for a removal of the handicap to gold mining brought about by the present economic measures . . ."

All mining associations asked that interpretation of the Emergency Gold Mining Assistance Act be broadened with respect to "capital expenditures on exploration and development in the mine."

The cabinet committee which met with the gold miners included Hon. Douglas Abbott, Minister of Finance, Hon. C. D. Howe, Minister of Trade & Commerce, Dr. J. J. McCann, Minister of National Revenue and Hon. George Prudham, the new minister of Mines & Technical Surveys.

Representatives of all the mining associations were present including Eldon Brown, president of the Canadian Metal Mining Association, J. G. McCrea, CMMA vice-president and V. C. Wansbrough, executive director. The Ontario Mining Association was represented by W. S. Row, president, K. C. Gray and N. F. Parkinson, executive director.

Ready New Mines Of Base Metals

An operating profit of $27,375 was realized by Base Metals Mining Corp. for the month of October, bringing total for the first five months of the current fiscal year to $191,614.

During November, 3,563 tons of ore were milled from the Kicking Horse and Monarch mines. Production was 242.1 tons of zinc concentrate averaging 57.11% zinc and 1.38% lead, and 116.2 tons of lead concentrates averaging 81.61% lead and 1.90% zinc.

Construction of buildings for the new 100-ton mill and power plant at the Cork Province Mine is reported well under way. All machinery has been ordered with arrangements made for electrical work. Ore reserves above the sixth level are estimated at 50,720 tons averaging 4.0 oz. silver, 5.4% lead and 8.3% zinc for a gross value of $50.61, U. S. funds, at current metal prices.

At controlled Vancouver Island Base Metals' property, preparations for production are continuing with ore being opened above the 265-ft. level in the Tyee section and the east drift on the 300-ft. level advancing to the ore in Richard III section. It is expected to start production with the 150-ton mill within three months. Grade of ore so far outlined and reported previously should show a good operating profit, President A. P. Earle states.

Development and exploration in both the Monarch and Kicking Horse mines of the original property are being increased and carried into areas considered favorable for extension of ore structures and new ore bodies.

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Headway Base Metal Find Spurs Big Staking Bee

A staking bee of considerable proportions has been taking place in the Onaman River area, northwest of Little Long Lac, following announcement of the discovery by Headway Red Lake Gold Mines of a half-mile wide zone carrying values in both base and precious metals.

Over 200 claims have been staked in recent weeks, embracing in excess of 8,000 acres, making the section possibly the most active exploration area in Ontario recently.

Principals Not Revealed

Principals for whom prospectors have been staking have not been divulged in most instances but a wide range of well-known prospectors have been actively staking.

The Geraboy Syndicate has had Frank Stibbard in the area and 31 claims are reported staked.

Hans Hanson, et al., have staked 20 claims. A. E. Tyson has staked six claims while Orley Gray is credited with three claims.

Wm. Cranston has staked nine claims, Wm. Pauloski 14 claims, H. McDonald 12 claims, Jack McKirdy 16 claims and veteran Jack Mosso 18 claims.

Alf Coutts staked 18 claims, while the Clavin interests have picked up some 45 claims. Beaver Lee, reported working for Lee Brooks, has staked nine claims.

Previous to the staking spree set off by the Headway announcement, 103 claims had been staked by other interests. Besides the 23 staked by Headway, American Metals staked nine claims, Pete McIsaac nine, Ivan McDonough 15, Coullee Lead 29 claims, and Percy Hopkins eight.

Headway Gets Going

At the Headway Red Lake property, work is well in progress. Lines have been cut for 25 miles or 50% of the total required. Most of this work has been done in recent days. In addition, 40% of the chaining has been done preparatory to the electrical survey which is expected to get under way shortly after the end of the year.

The diamond drill crew will be at Tashota Jan. 3 and drilling should get under way a few days thereafter. Work on the geophysical program is well in hand and diamond drill exploration will not be held up by lack of survey results. Diamond drilling will be done by Boyles Bros.

Work completed by Headway disclosed interesting base metal values in several zones. Work is in charge of Albert Hopkins, resident engineer, until recently with Transcontinental Resources.

Quemont Clicks In Three Holes Below 1,400 ft.

Impressive ore dimensions continue to be turned in at Quemont Mining Corp. in drill testing, according to an announcement of President H. L. Roscoe.

Hole No. 1403, a horizontal hole 100 ft. west of previously reported No. 1402 hole, also at the 1,440-ft. horizon, averaged 0.16 oz. gold, 0.89 oz. silver, 1.64% copper and 2.30% zinc for a core length of 81 ft. It was drilled north.

Hole No. 1404, a horizontal hole 100 ft. west of No. 1403 and also drilled north, averaged 0.08 oz. gold, 0.54 oz. silver, 2.31% copper and 0.38% zinc for a core length of 47 ft.

A down hole recently drilled from the 2,340-ft. level at a dip of 60 deg. gave a core length of 70.5 ft. which averaged 0.17 oz. gold, 1.08 oz. silver, 0.86% copper and 3.61% zinc. This ore intersection is approximately 250 ft. below the 2,340-ft. level.

Manitoba Mines Turn Out 32% More in 1950 Year

From Our Own Correspondent

WINNIPEG — Manitoba's mining industry in 1950 had a record production at $31.5 millions as compared with $23,839,638 in 1949, up 32.1%. Contributing factors to the record year were: Higher prices for base metals; a bigger production from the Manitoba side of the Hudson Bay Mining & Smelting Co. property at Flin Flon; and the fact that 1950 was the first full year of production of the Howe Sound Exploration Co. from its gold mining property at Snow Lake.

Of the metals, the biggest increases were in gold, copper and zinc. Gold production which last year was $4,946,364 may exceed $7 millions in 1950. Copper production will likely be at least $9 millions when all the 1950 figures become available as compared with $6,774,781 in 1949. Similarly production of zinc is likely to reach $6 millions whereas last year it was $4,514,805.

Repair and rehabilitation work required after last spring's flood created a bigger demand for industrial minerals which include such building materials as cement, gypsum, lime, and stone. Larger demand for these materials accounted for most of the balance of the increase. The total 1949 production of industrial minerals was $7,013,450.

The province's fur industry for 1950 also showed a 24% increase in money value over that of 1949. The actual fur taken was not larger than a year ago except for some of the more valuable furs which also increased in value.

The muskrat catch which comes largely from government-developed marsh projects dropped from 930,330 in 1949 to 796,456 in 1950, and squirrel from 580,707 to 226,007. Beaver increased from 14,099 last year to 16,102 in 1950, mink from 22,932 to 29,456, and weasel from 99,705 to 152,800.

There were fewer licensed trappers, 9,853 this year and 10,577 in 1949.

There was a drop in forest production. Natural resources minister, J. S. McDiarmid, estimates it at $13,500,000, about $700,000 less than in 1949.

WESTERN URANIUM COBALT MINES has acquired an option on nine claims in the Beaverlodge Lake area of Northwestern Saskatchewan, adjoining the property on which Gilbert Labine recently reported discovery of uranium ore grading 30%. Work carried on this fall with the aid of Geiger counter and scintillometer located four parallel veins on the Bar 5 mining claim and another vein was located on No. 6 claim. President James McKee stated at the Western annual meeting that development of the property would in no way affect the treasury position of the company as the project will be financed by forming a subsidiary. All directors were re-elected.

ARJON GOLD MINES has started diamond drilling from a point 200 ft. inside its boundary in the crosscut driven by Kerr-Addison into Arjon ground. The crosscut is at the 2,500-ft. horizon. Holes are being farmed out horizontally in the hope of picking up more extensions from the Kerr-Addison property.

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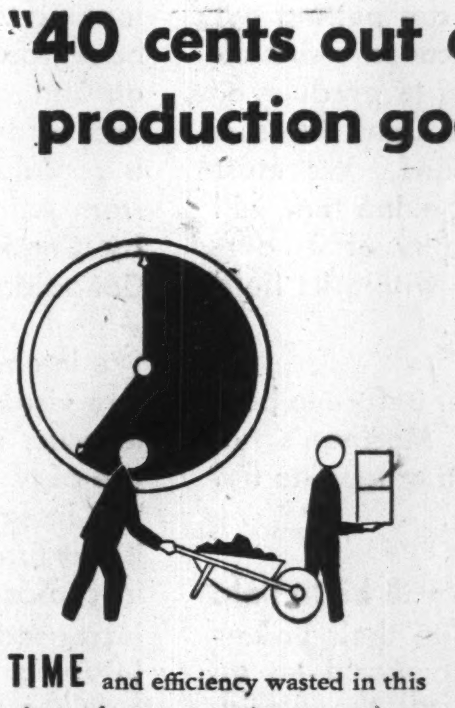

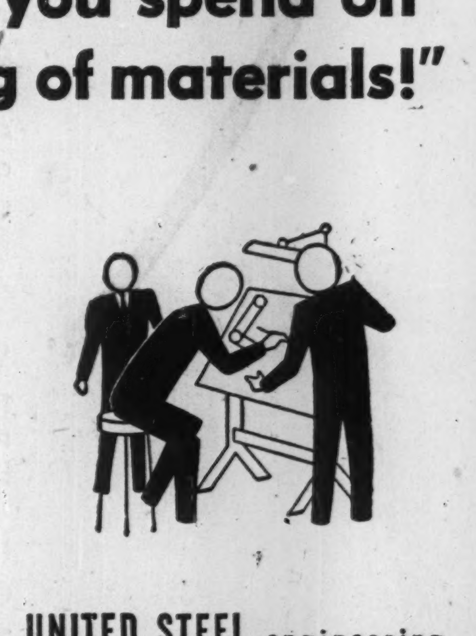

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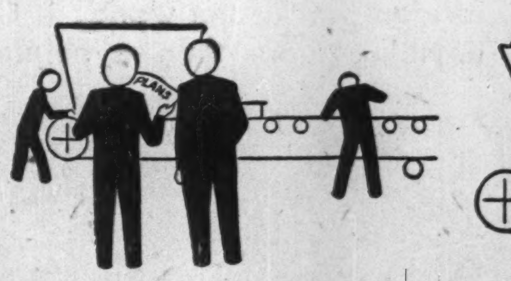

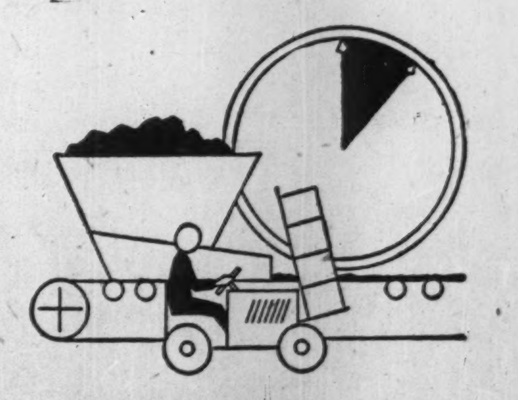

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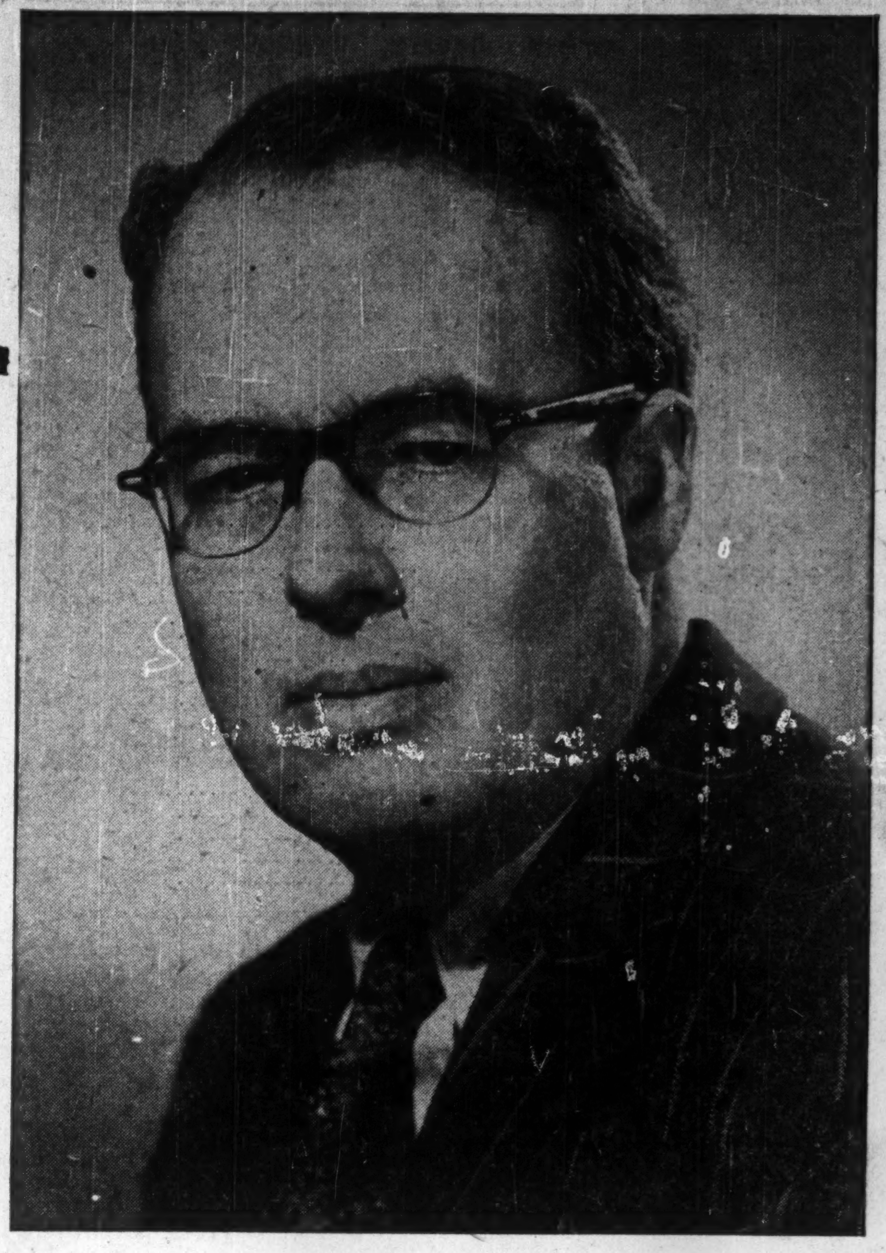

RALPH ALLEN, *Editor*

. . . a statement by the *Editor*

"MACLEAN'S basic editorial goal for 1951 will be unchanged: To produce a magazine that Canadians will read and respect. It must have vital and special meaning for Canadians of both sexes and all ages from the early teens to the years of retirement.

But we will not and must not regard the magazine's special Canadian quality as a limiting quality. We cannot afford to judge our own performance or to ask others to judge it by any limiting terms. We are putting out a Canadian magazine not because we think a Canadian magazine is easier to produce or easier to sell, but because we think there is a need for Canadian magazines. We must aim always to produce a magazine that will stand comparison, on the quality of its performance, with any magazine within its field —of whatever place of origin.

We want more people than ever before to buy, read, talk about and respect Maclean's not merely because it's a Canadian magazine but because it's a good magazine.

In 1951, a vital part of our job will be to help Canadians enlarge and develop their understanding of other parts of the world — an understanding without which all the world, our part of it included, may soon be destroyed or become untenable for those who prize freedom of the mind and spirit. In striving for this end, it will not be enough for us to say how one foreign part of the world looks to another foreign part of the world. If Canada is to be anything more than a helpless prisoner of events shaped by larger nations, then Canada must think, speak and act for itself. As a Canadian magazine a part of our job will be to encourage Canadians who are trained in looking to look at the world out of a Canadian background and to speak of what they see on Canadian terms. In the early part of 1951 and throughout 1951 Maclean's will present a continuing series of on-the-ground reports from Asia and Europe written for Canadians, by Canadians and out of a knowledge of Canadian goals, problems and capacities.

We intend to make the magazine more attractive visually through the use of bigger, bolder layouts, more display for pictures, increased use of two-, three-, and four-color illustrations. We intend to broaden the base of appeal of its textual matter, give it greater variety, try in choice and treatment of subjects to attract increased attention from the younger reader. In doing this, we must be careful not to abdicate the position, built over a period of many years, of a magazine of influence. We must continue to discuss and illuminate the things that matter. We must not fall into the error of believing that important things are dull. Our job is to make important things lively and readable — and never to forget that they are important."

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